

# Shaping Tomorrow's Solutions, Today!

UNIT TRUST OF PAKISTAN

ANNUAL REPORT 2024



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# COMPANY INFORMATION

## Management Company

JS Investments Limited  
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SB-5 Abdullah Haroon Road, Saddar,  
Karachi-75600  
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540  
E-mail: info@jsil.com  
Website: www.jsil.com

## Board of Directors

Mr. Suleman Lalani	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

## Chief Executive Officer

Ms. Iffat Zehra Mankani

## Chief Financial Officer

Mr. Raheel Rehman

## Chief Investment Officer

Mr. Syed Hussain Haider

## Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

## Statutory Auditors

A.F Ferguson & Co., Chartered Accountants

## Legal Advisors

Bawaney and Partners  
3rd & 4th Floor, 68-C, Lane-13  
Bokhari Commercial Area  
Phase-VI DHA, Karachi

## Audit Committee

Ms. Mediha Kamal Afsar (Chairperson)  
Mr. Hasan Shahid (Member)  
Mr. Mirza M. Sadeed H. Barlas (Member)

## Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Sharah-e-Faisal, Karachi-74400 Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326040

A futuristic cityscape at night, featuring a dense cluster of skyscrapers illuminated with warm lights. The scene is overlaid with vibrant, glowing orange light trails that swirl and curve across the foreground and middle ground. Several floating spheres, resembling planets or moons, are positioned at various heights, each surrounded by a ring of light. The overall atmosphere is one of advanced technology and innovation.

# Vision

To be the preferred choice of every  
investor, offering diverse and innovative  
investment solutions



# DIRECTORS' REPORT TO THE UNIT HOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

The Board of Directors of JS Investments Limited, the Management Company of **Unit Trust of Pakistan** (the Fund), is pleased to present the Annual Report for the year ended June 30, 2024.

## Economic Review:

The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards a path of relative stability in both political and economic spheres. The caretaker setup initially introduced a stabilization agenda that guided much of the year. Following this, a new government was formed post-Federal elections, providing a clearer direction for the country despite some initial uncertainties during the election process. This transition offered some reassurance, given the significant challenges the nation has faced in recent years. The macroeconomic framework under the IMF's Stand-By Agreement (SBA), which included a short-term US\$3 billion funding facility signed in June of the previous year and largely executed by the caretaker government, concluded at the end of April with a final disbursement of US\$1 billion.

Turning to the real economy, the robust growth of 6.5% in agriculture, encompassing all major crops and livestock, significantly boosted the provisional GDP growth for FY24 to 2.38%, surpassing the projections of the IMF (2%), ADB (1.9%), and The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards events during the period were the easing of monetary policy and the simultaneous tightening of fiscal policy, trends expected to continue into the next fiscal year. Observing how these policies will ultimately impact overall economic growth will be critical, especially as the industry has been under unprecedented pressure from a highly challenging business environment characterized by cost-push inflation and sluggish demand.

The Federal Budget for FY25 envisions a substantial 40% increase in FBR revenues, with the government projecting an inflation rate of 12% and a real GDP growth rate of 3.6%. According to the government's estimates presented in the budget, The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards 6.5%—is projected to decrease to 5.9% for FY25.

The external account experienced considerable strengthening, with SBP FX Reserves more than doubling from their lows at the end of June 2023 to reach US\$9.4 billion by the end of June 2024. The Pakistani rupee appreciated by 2.8%, closing at 278 against the US dollar. The current account deficit has decreased markedly to US\$ 464 million for the 11 months up The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards payments situation. Building on this, Pakistan's upcoming new and larger funding program with the IMF holds paramount importance, as it will significantly strengthen the country's fundamental macroeconomic pillars, particularly fiscal operations, while also providing essential support for managing external debt obligations.

## Equity Market Review:

The fiscal year 2024 marked a significant trend reversal in the local equity market, characterized by consistent sharp gains The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards Arrangement (SBA) funding facility. The KSE-100 index surged by 89.2%, closing at 78,445. Similarly, other key equity indices, such as the KSE-30 Total Return Index and the KMI-30 Index, rose by 95.1% and 78.7%, respectively, by the end of June 2024. The notable performance disparity between the conventional indices (KSE-100 and KSE-30) and the Shari-ah-compliant index (KMI-30) reflects the sharp gains in commercial banking stocks, which significantly outperformed the broader indices and accounted for the majority of the market gains during this period.

Foreign investors and local insurance companies emerged as the most significant net buyers in the equity market during the year, purchasing equities worth US\$157 million and US\$127 million, respectively. In contrast, banks/DFIs and individual investors were the major net sellers, offloading US\$150 million and US\$60 million worth of equities, respectively.

While the year 2024 saw a generally robust performance of global equity markets, the gains were uneven across regions due to a combination of local economic conditions, central bank policies, and geopolitical factors. Key themes included optimism around AI and technology, expectations of peaking interest rates, and slower-than-expected growth in China, while improving economic fundamentals in other select countries.

## Income / Money Market Review:

During the fiscal year 2024, the yield curve shifted markedly downward, with yields falling across all tenors. The most notable decline was observed in the 12-month paper, which closed at 18.68%, down by 425 basis points from the end of June 2023. The SBP's Monetary Policy Committee (MPC) cut the policy rate by 150 basis points in its June 10th meeting. This decision followed a more-than-expected drop in the headline inflation rate for May, which stood at 11.8%, primarily due to a decline in food inflation.

The steady accumulation of FX reserves and the softening inflation outlook gradually instilled market confidence, reflected in higher levels of participation in 12M T-Bill in recent auctions. The offer-to-target ratio in the auctions for 12M tenor almost doubled to 5.9x during the year's second half compared to the preceding first half. M2 growth continued to be driven by government borrowings, as evident in the continuously rising trend of net outstanding liquidity injections via open market operations (OMOs).

## Review of Fund Performance

The Fund return was 60.67% for the year ended June 30, 2024 against the benchmark return of 64.59%. The Fund's Net Assets increased from PKR 913.84 million as at June 30, 2023, to PKR 1,620.50 million as at June 30, 2024. The total expense ratio is 4.27%, which includes 0.43% of government levies on the Fund.

## Dividend

The Fund paid an interim cash dividend of Rs 16.50 per unit during the year ended June 30, 2024.

## Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained our Management Company's asset manager rating of 'AM2+' with a 'stable outlook'. This rating underscores our dedication to maintaining high-quality management standards and reflects positively on the overall performance and outlook of our operations.

## Auditors

The external auditors of the Fund, M/s. A.F Ferguson & Co. Chartered Accountants, retired and, being eligible, offered themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board, has approved the appointment of M/s. A.F Ferguson & Co. Chartered Accountants as the Fund's auditors for the ensuing year ending June 30, 2025.

## Additional Matters

- a. Annexed to the Annual Report is the Fund Manager's Report, providing a description of principal risks and uncertainties along with a reasonable indication of future profit prospects.
- b. The Pattern of Unit holding as of June 30, 2024, is annexed to this annual report.
- c. The system of internal control is sound in design and has been effectively implemented and monitored.
- d. A performance table/key financial data is annexed to this annual report.

## Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Central Depository Company of Pakistan Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Management Company for their dedication and hard work and the unit holders for their confidence in the Management.



Chief Executive Officer



Director

Karachi: August 20, 2024

## شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، JS بزنس ٹرسٹ آف پاکستان (دی فنڈ) کی مینجمنٹ کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معاشی جائزہ

مالی سال 2024 ملک کے لیے اہم تبدیلی کا دور رہا ہے، جو ایک غیر یقینی راستے سے سیاسی اور معاشی دونوں شعبوں میں نسبتاً استحکام کی راہ پر گامزن ہے۔ نگران سیٹ اپ نے ابتدائی طور پر استحکام کا ایجنڈا متعارف کرایا جس نے سال کے زیادہ تر حصے کے رہنمائی کی۔ اس کے بعد، وفاقی انتخابات کے بعد ایک نئی حکومت تشکیل دی گئی، جس نے انتخابی عمل کے دوران کچھ ابتدائی غیر یقینی صورتحال کے باوجود ملک کو ایک واضح سمت فراہم کی۔ حالیہ برسوں میں قوم کو درپیش اہم چیلنجوں کے پیش نظر اس تبدیلی نے کچھ یقین دہانی کرائی ہے۔ آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ (SBA) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی اور جس پر نگران حکومت نے بڑے پیمانے پر عمل درآمد کیا تھا، 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF (2 فیصد)، ایشیائی ترقیاتی بینک (1.9 فیصد) اور عالمی بینک (1.8 فیصد) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی چلک کی نشاندہی ہوتی ہے۔ اس پس منظر میں، اس مدت کے دوران زرعی پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ یہ دیکھنا کہ یہ پالیسیاں بالآخر مجموعی معاشی ترقی کو کس طرح متاثر کریں گی، اہم ہوں گا، خاص طور پر جب صنعت کو انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراط زر اور سست طلب سے موصوم ہے۔

مالی سال 2025 کے وفاقی بجٹ میں ایف بی آر (FBR) کے محصولات میں 40 فیصد اضافے کا تخمینہ لگایا گیا ہے، حکومت نے افراط زر کی شرح 12 فیصد اور حقیقی جی ڈی پی (GDP) کی شرح نمو 3.6 فیصد پیش کی ہے۔ بجٹ میں پیش کی گئی حکومتی تخمینوں کے مطابق مالی خسارہ رواں مالی سال میں 7.4 فیصد رہنے کا امکان ہے جو گزشتہ سال کے بعد 6.5 فیصد کے بجٹ ہدف سے نظر ثانی شدہ۔ مالی سال 2025 کے لیے کم ہو کر 5.9 فیصد رہے گا۔

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام پر 9.4 بلین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 ملین امریکی ڈالر رہ گیا ہے جو گزشتہ سال کے اسی مدت کے دوران 3.76 بلین امریکی ڈالر تھا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف (IMF) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

### ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2024 میں مقامی ایکویٹی مارکیٹ میں ایک اہم رجحان میں تبدیلی کی نشاندہی کی، جو اس مدت میں مسلسل تیز اضافے سے موصوم ہے۔ اس تیز ریلی کا آغاز سال کی شروعات میں آئی ایم ایف کی اسٹینڈ بائی آرٹجمنٹ (ایس بی اے) فنڈنگ فیصلیہ پر دستخط کے بعد ہوا تھا۔ KSE - 100 انڈیکس 89.2 فیصد اضافے سے 78,445 پر بند ہوا۔ اسی طرح دیگر اہم ایکویٹی انڈیکس جیسے KSE - 30 ٹوٹل ریٹرن انڈیکس اور KMI - 30 انڈیکس میں جون 2024 کے اختتام تک بالترتیب 95.1 فیصد اور 78.7 فیصد اضافہ ہوا۔ روایتی انڈیکس (KSE - 100 اور KSE - 30) اور شریعہ کمپلائنس انڈیکس (KMI - 30) کے درمیان کارکردگی میں نمایاں فرق کمرشل بینکنگ حصص میں تیز اضافے کی عکاسی کرتا ہے، جس نے وسیع تر اشاریوں سے نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا اور اس مدت کے دوران مارکیٹ میں زیادہ تر اضافے کا سبب بنے۔

اس مدت کے دوران ایکویٹی مارکیٹ میں غیر ملکی سرمایہ کار اور مقامی انورٹس کمپنیاں سب سے اہم خریدار کے طور پر ابھر کر سامنے آئے، انہوں نے بالترتیب 157 ملین امریکی ڈالر اور 127 ملین امریکی ڈالر کی ایکویٹیز خریدے۔ اس کے برعکس بینکوں / ڈی ایف آئی اور انفرادی سرمایہ کار بڑے فروخت کنندگان تھے، جنہوں نے بالترتیب 150 ملین امریکی ڈالر اور 60 ملین امریکی ڈالر مالیت کی ایکویٹیز فروخت کیں۔

اگرچہ سال 2024 میں عالمی ایکویٹی مارکیٹوں کی عمومی طور پر مضبوط کارکردگی دیکھی گئی، لیکن مقامی معاشی حالات، مرکزی بینک کی پالیسیوں اور جغرافیائی سیاسی عوامل کے امتزاج کے سبب خطوں میں فوائد غیر مساوی تھے۔ کلیدی موضوعات میں مصنوعی ذہانت اور ٹیکنالوجی کے بارے میں امید، شرح سود میں اضافے کی توقعات، اور چین میں توقع سے سست ترقی شامل ہیں، جبکہ دیگر منتخب ممالک میں معاشی بنیادوں کو بہتر بنانا شامل ہے۔

## انکم / منی مارکیٹ کا جائزہ

مالی سال 2024 کے دوران، پیداوار کی توسیع واضح طور پر نیچے کی جانب منتقل ہو گئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 425 پیسے پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے 10 جون کو اپنے اجلاس میں پالیسی کی شرح میں 150 پیسے پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراط زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیادی وجہ غذائی افراط زر میں کمی تھی۔

زرمبادلہ کے ذخائر کی مستحکم جمع ہونے اور افراط زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریڈری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ سال کی گزشتہ ششماہی کے مقابلے میں سال کی دوسری ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفر ٹو ٹارگٹ کا تناسب تقریباً دو گنا ہو کر 5.9 گنا ہو گیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقایا لیکویڈیٹی انجکشن کے مسلسل بڑھتے ہوئے رجحان سے ظاہر ہوتی ہے۔

## فنڈ کی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 64.59 فیصد اپنے بیچ مارک منافع کے مقابلے میں 60.67 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 913.84 ملین روپے سے 1,620.50 ملین روپے پر پہنچ گئے۔ گل اخراجات کا تناسب 4.27 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.43 فیصد شامل ہے۔

## ڈیویڈنڈ

30 جون 2024 کو ختم ہونے والے سال کے دوران فنڈ نے 16.50 روپے فی یونٹ انٹرمیکس ڈیویڈنڈ ادا کیا۔

## ایسیٹ مینجریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجریٹنگ کو "مستحکم" منظر نامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظر نامے پر مثبت عکاسی کرتی ہے۔

## آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

## اضافی معاملات

اس سالانہ رپورٹ کے ساتھ فنڈ مینجریٹنگ رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجان کی کیفیت کی وضاحت کی ہے۔

ب۔ 30 جون 2024 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔

د۔ کارکردگی کا ٹیبیل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

## اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سبفرل ڈپازٹری کمیٹی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈنگ اور محنت پر مینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکر یاد کرتا ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 20 اگست 2024

# FUND MANAGER REPORT

Annual Report 2024

- **Description of the Collective Investment Scheme category and type**  
Balanced Scheme / Open end

- **Statement of Collective Investment Scheme's investment objective**

UTP is a balanced fund that aims to preserve and grow investor's capital in the long term while providing a regular stream of current income on an annual basis. The fund operates a diverse portfolio of equity and fixed income investments whereby the equity component is meant to provide the growth in capital while dividends on the equity component along with the fixed income investments help generate the current income.

- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- **Statement of benchmark(s) relevant to the Collective Investment Scheme**

Rate of return of KSE-30 Index and six (6) month KIBOR, for any period of return, on the basis of actual proportions of the portfolio.

- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY24
UTP	11.04%	-5.05%	2.42%	6.81%	10.29%	4.56%	0.52%	2.54%	4.41%	5.28%	4.05%	2.47%	60.67%
Benchmark	11.92%	-3.05%	1.50%	8.80%	10.76%	2.87%	1.07%	3.96%	2.26%	4.96%	3.91%	2.87%	64.59%
<b>Diff.</b>	<b>-0.88%</b>	<b>-2.00%</b>	<b>0.91%</b>	<b>-1.99%</b>	<b>-0.47%</b>	<b>1.69%</b>	<b>-0.55%</b>	<b>-1.42%</b>	<b>2.15%</b>	<b>0.32%</b>	<b>0.14%</b>	<b>-0.40%</b>	<b>-3.92%</b>

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

While remaining consistent with a 'balanced' strategy, the fund adopted a more active investment approach during the period, gradually increasing its exposure to equities in line with improving market conditions. The focus shifted towards growth-oriented sectors with strong fundamentals while capturing opportunities in undervalued stocks showing promising recovery potential. On the fixed-income side, the fund optimized its allocation between shorter- and longer-tenor instruments to capitalize on a stabilizing interest rate environment, positioning itself to benefit from the downward shift in the yield curve.

## Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)

	Jun-24	Jun-23
Cash	9.57%	0.86%
Equity	67.34%	61.92%
TFCs / Sukkuks	8.63%	20.57%
T Bills	0.00%	14.69%
Other including receivables	1.62%	1.96%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

- **Analysis of the Collective Investment Scheme's performance**

	Fund		Fund	BM
Information Ratio	0.01	Beta	0.6	1.0
Correlation	0.77	Largest Month Gain	15.9%	19.3%
Standard Deviation	15.1%	Largest Month Loss	-24.0%	-33.8%
Expense Ratio**	4.3%	% Positive Months	66.9%	62.8%

Unless otherwise specified, all data is presented on a since-inception basis.

\*\* This includes 0.43% Government levy & SECP fee; 1.07% Selling & marketing expenses.

# FUND MANAGER REPORT

Annual Report 2024

- Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	1,379	227.29
30-Jun-23	914	152.53

- Disclosure of the markets that the Collective Investment Scheme has invested in:

Unit Trust of Pakistan has a balanced structure, implying that it invests in both equity and fixed-income instruments. Equity securities include those listed on the Pakistan Stock Exchange (PSX). At the same time, the fund invests in domestic government and corporate securities, spreads transactions, and bank accounts in the fixed-income space.

- Disclosure on distribution (if any), comprising:-

- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

## Distribution

The fund has paid a final distribution of Rs. 16.50 per unit of Rs. 100/- i.e. 16.50%. The cumulative distribution for FY24 is Rs. 16.50 per unit.

NAV per unit as on June 30, 2024	
Cum NAV (PKR)	227.29
Ex-NAV (PKR)	227.29

- Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements

There were no significant changes in the state of affairs during the year under review.

- Breakdown of unit holdings by size

Fund Name	Ranges			Number of Folios
		to		
Unit Trust of Pakistan	0.0001	to	9,999.9999	200
	10,000.0000	to	49,999.9999	16
	50,000.0000	to	99,999.9999	6
	100,000.0000	to	499,999.9999	4
	500,000.0000	&	above	2
			<b>Total</b>	<b>228</b>

- Disclosure on unit split (if any), comprising:-

The Fund has not carried out any unit split exercise during the year.


- Disclosure of circumstances that materially affect any interests of the unit holders

Investment is subject to market risk.

- Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

# PERFORMANCE TABLE

		Years				
		2024	2023	2022	2021	2020
Net assets	Rs.	1,620.50	913.84	937.29	1,100.86	950.89
Net income / loss	Rs.	546.95	45.36	(137.26)	234.35	32.42
Total return of the Fund	%	60.67	5.21	12.65	25.00	4.05
Annual dividend distribution	%	10.82	4.64	-	2.12	3.44
Capital Growth	%	49.85	0.57	12.65	22.88	0.61
Average annual return						
- One Year	%	60.67	5.21	(12.65)	25.00	4.05
- Two Years	%	32.94	(3.72)	6.18	14.53	5.04
- Three Years	%	17.74	5.85	5.47	4.98	(7.53)
NAV per unit	Rs.	227.29	152.53	151.79	173.77	141.40
Highest offer price per unit	Rs.	253.53	166.30	182.33	189.20	164.67
Lowest offer price per unit	Rs.	164.23	153.03	155.18	148.16	132.68
Highest repurchase price per unit	Rs.	245.21	160.84	176.35	182.99	165.56
Lowest repurchase price per unit	Rs.	158.84	148.01	150.09	143.30	117.93
Interim distribution	Rs.	16.50	7.05	-	3.00	4.90
Announcement date		27-Jun-24	23-Jun-23		28-Jun-21	26-Jun-20
Final distribution	Rs.	-	-	-	-	-
Announcement date		-	-	-	-	-
<b>Total distribution as % of par value</b>	<b>%</b>	<b>10.82</b>	<b>4.64</b> 	<b>-</b>	<b>2.12</b>	<b>3.44</b>

## Notes

- Unit Trust of Pakistan was launched on October 27, 1997.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.

## Disclaimer

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

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## TRUSTEE REPORT TO THE UNIT HOLDERS

### UNIT TRUST OF PAKISTAN

#### Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Unit Trust of Pakistan (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, September 24, 2024

**INDEPENDENT AUDITOR'S REPORT**

**To the Unit Holders of Unit Trust of Pakistan**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Unit Trust of Pakistan (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

**Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<p><b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)</p> <p>Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 1,470.97 million and bank balances aggregated to Rs. 161.99 million. The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

*A.F.C.*

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### Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

A.F.C.O.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.  
Chartered Accountants  
Dated: September 27, 2024  
Karachi

UDIN: AR202410061Kxp1grOSF



**Financial Position**  
& Performance

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	<b>Note</b>	----- Rupees -----	
<b>ASSETS</b>			
Bank balances	4	161,986,973	8,103,621
Investments	5	1,470,966,553	913,529,190
Profit receivables	6	19,290,156	6,794,859
Advances, deposits and prepayments	7	4,062,780	2,905,280
Receivable against sale of investments		8,509,416	8,734,936
<b>Total assets</b>		<b>1,664,815,878</b>	<b>940,067,886</b>
<b>LIABILITIES</b>			
Payable to JS Investments Limited - Management Company	8	22,711,538	19,908,177
Payable to Central Depository Company of Pakistan Limited - Trustee	9	251,462	170,720
Payable to the Securities and Exchange Commission of Pakistan	10	119,480	186,072
Accrued expenses and other liabilities	11	14,238,029	4,523,244
Payable against purchase of investments		3,897,464	-
Dividend payable		3,097,956	1,443,069
<b>Total liabilities</b>		<b>44,315,929</b>	<b>26,231,282</b>
<b>NET ASSETS</b>		<b>1,620,499,949</b>	<b>913,836,604</b>
<b>UNIT HOLDERS' FUND (AS PER STATEMENT ATTACHED)</b>		<b>1,620,499,949</b>	<b>913,836,604</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	12	----- Number of units -----	
<b>NUMBER OF UNITS IN ISSUE</b>	13	<b>7,129,512</b>	<b>5,991,265</b>
		----- Rupees -----	
<b>NET ASSET VALUE PER UNIT</b>		<b>227.29</b>	<b>152.53</b>

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**INCOME STATEMENT** >  
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
<b>INCOME</b>			
Profit earned	14	95,322,295	68,356,361
Dividend income		55,079,181	60,755,217
Other income	15	9,037,842	10,941,949
Net gain / (loss) on sale of investments		223,588,481	(7,278,467)
Net unrealised appreciation / (diminution) on re-measurement of investment classified as financial asset at 'fair value through profit or loss'	5.7	<u>215,871,580</u>	<u>(48,569,763)</u>
<b>Total income</b>		<b>598,899,379</b>	<b>84,205,297</b>
<b>EXPENSES</b>			
Remuneration of JS Investments Limited - Management Company	8.1	<b>24,302,753</b>	17,701,885
Sindh Sales Tax on remuneration of the Management Company	8.2	<b>3,159,358</b>	2,301,245
Allocated expenses	8.4	<b>1,215,201</b>	930,863
Selling and marketing expenses	8.5	<b>13,002,649</b>	11,100,953
Remuneration of Central Depository Company of Pakistan Limited - Trustee	9.1	<b>2,210,568</b>	1,856,280
Sindh Sales Tax on remuneration of the Trustee	9.2	<b>287,374</b>	241,316
Fee to the Securities and Exchange Commission of Pakistan	10	<b>1,033,148</b>	186,097
Fee of the National Clearing Company of Pakistan Limited		<b>608,424</b>	682,267
Listing fee		<b>30,750</b>	27,500
Securities transaction cost		<b>4,997,102</b>	2,417,833
Auditor's remuneration	16	<b>851,123</b>	563,626
Legal and professional charges		<b>-</b>	365,000
Printing and stationery		<b>101,468</b>	101,468
Bank and settlement charges		<b>150,729</b>	372,965
<b>Total expenses</b>		<b>51,950,647</b>	<b>38,849,298</b>
<b>Net income for the year before taxation</b>		<b>546,948,732</b>	<b>45,355,999</b>
Taxation	18	<b>-</b>	<b>-</b>
<b>Net income for the year after taxation</b>		<b>546,948,732</b>	<b>45,355,999</b>
<b>Allocation of net income for the year</b>			
Net income for the year after taxation		<b>546,948,732</b>	45,355,999
Income already paid on units redeemed		<b>(20,889,375)</b>	(439,304)
		<b>526,059,357</b>	44,916,695
<b>Accounting income available for distribution:</b>			
- Relating to capital gains		<b>439,460,061</b>	-
- Excluding capital gains		<b>86,599,296</b>	44,916,695
		<b>526,059,357</b>	44,916,695

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**STATEMENT OF COMPREHENSIVE INCOME** >  
 FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
<b>Net income for the year after taxation</b>	<b>546,948,732</b>	45,355,999
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b><u>546,948,732</u></b>	<b><u>45,355,999</u></b>

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**STATEMENT OF CASH FLOW** >  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income for the year before taxation	546,948,732	45,355,999
<b>Adjustments for:</b>		
Profit earned	(95,322,295)	(68,356,361)
Net (gain) / loss on sale of investments	(223,588,481)	7,278,467
Net unrealised (appreciation) / diminution on re-measurement of investment classified as financial asset at 'fair value through profit or loss'	(215,871,580)	48,569,763
	12,166,376	32,847,868
<b>(Increase) / decrease in assets</b>		
Investments - net	(256,066,323)	(179,847,541)
Advances, deposits and prepayments	(1,157,500)	1,359,361
Receivable against sale of investments	225,520	(8,734,936)
	(256,998,303)	(187,223,116)
<b>Increase / (decrease) in liabilities</b>		
Payable to JS Investments Limited - Management Company	2,803,361	(15,600)
Payable to Central Depository Company of Pakistan Limited - Trustee	80,742	(3,900)
Payable to the Securities and Exchange Commission of Pakistan	(66,592)	(18,973)
Payable against purchase of investments	3,897,464	(144,155)
Accrued expenses and other liabilities	9,714,785	3,628,996
	16,429,760	3,446,368
Profit received	82,826,998	68,693,587
<b>Net cash used in operating activities</b>	(145,575,169)	(82,235,293)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(98,513,174)	(40,567,369)
Amount received on issuance of units	552,811,151	261,615,921
Amount paid on redemption of units	(292,928,477)	(289,341,287)
<b>Net cash generated from / (used) in financing activities</b>	161,369,500	(68,292,735)
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	15,794,331	(150,528,028)
Cash and cash equivalents at the beginning of the year	146,192,642	296,720,670
<b>Cash and cash equivalents at the end of the year</b>	161,986,973	146,192,642

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND

FOR THE YEAR ENDED JUNE 30, 2024

Note	2024			2023		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
----- Rupees -----						
Net assets at the beginning of the year	882,650,551	31,186,053	913,836,604	909,936,613	27,351,578	937,288,191
Issuance of 2,571,718 (2023: 1,707,877) units						
- Capital value	392,264,147	-	392,264,147	259,244,225	-	259,244,225
- Element of income	160,547,004	-	160,547,004	2,371,696	-	2,371,696
Total proceeds on issuance of units	552,811,151	-	552,811,151	261,615,921	-	261,615,921
Redemption of 1,433,471 (2023: 1,891,380) units						
- Capital value	(218,647,332)		(218,647,332)	(287,098,744)	-	(287,098,744)
- Element of loss	(53,391,770)	(20,889,375)	(74,281,145)	(1,803,239)	(439,304)	(2,242,543)
Total payments on redemption of units	(272,039,102)	(20,889,375)	(292,928,477)	(288,901,983)	(439,304)	(289,341,287)
Total comprehensive income for the year	-	546,948,732	546,948,732	-	45,355,999	45,355,999
Total distributions during the year	30	(100,168,061)	(100,168,061)	-	(41,082,220)	(41,082,220)
<b>Net assets at end of the year</b>	<b>1,163,422,600</b>	<b>457,077,349</b>	<b>1,620,499,949</b>	<b>882,650,551</b>	<b>31,186,053</b>	<b>913,836,604</b>
<b>Undistributed income brought forward</b>						
- Realised income		79,755,816			159,247,304	
- Unrealised loss		(48,569,763)			(131,895,726)	
		31,186,053			27,351,578	
<b>Accounting income available for distribution</b>						
- Relating to capital gain		439,460,061			-	
- Excluding capital gains		86,599,296			44,916,695	
		526,059,357			44,916,695	
Total distributions during the year		(100,168,061)			(41,082,220)	
Undistributed income carried forward		457,077,349			31,186,053	
<b>Undistributed income carried forward:</b>						
- Realised income		241,205,769			79,755,816	
- Unrealised income / (loss)		215,871,580			(48,569,763)	
		457,077,349			31,186,053	
		<b>(Rupees)</b>			<b>(Rupees)</b>	
Net assets value per unit at the beginning of the year		152.53			151.79	
Net assets value per unit at the end of the year		227.29			152.53	

The annexed notes from 1 to 32 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Unit Trust of Pakistan (the Fund) was established under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund was constituted under the Trust Deed, dated April 26, 1997 between JS Investments Limited as its Management Company, a company incorporated under the Companies Ordinance, 1984 (Now Companies Act, 2017) and Central Depository Company of Pakistan as its Trustee. The Central Depository Company of Pakistan Limited was appointed as Trustee of the Fund on June 11, 2005 after voluntary resignation of Digital Custodian Company Limited.
- 1.2 During the year ended June 30, 2021, The Trusts Act, 1882 has been repealed due to the promulgation of Provincial Trusts Act namely "Sindh Trusts Act, 2020" (the Sindh Trusts Act) as empowered under the Eighteenth Amendment the Constitution of Pakistan. The Fund is required to be registered under the Sindh Trusts Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trusts Act.
- 1.3 The Fund is an open end mutual fund categorised as "Balanced Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on continuous basis and are transferrable and can be redeemed by surrendering them to the Fund. As per offering document, the Fund shall invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.
- 1.4 The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.5 The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.
- 1.6 Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (2023: 'AM2+' with 'stable outlook' dated December 27, 2022) to the Management Company.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the 'Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the requirements of IFRSs, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 2.2 Standards, interpretations and amendments to the published accounting and reporting standards that are effective in the current year

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies. There are certain other amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and hence, therefore, not been disclosed in these financial statements.

## 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be adopted in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements.

## 2.4 Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgements that have a significant effect on the financial statements of the Fund relate to classification, valuation and impairment of financial assets (notes 3.2, 5 and 8.3).

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention except for investments which have been classified as 'at fair value through profit or loss' and which are measured at fair value.

## 2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistani Rupees which is the Fund's functional and presentation currency.

### **3 MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented.

#### **3.1 Cash and cash equivalents**

These comprise of balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

#### **3.2 Financial assets**

##### **3.2.1 Initial recognition and measurement**

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the Income Statement.

##### **3.2.2 Classification and subsequent measurement**

###### **3.2.2.1 Debt instruments**

IFRS 9 has provided a criteria for debt securities whereby these debt securities are either classified as:

- amortised cost;
- at fair value through other comprehensive income (FVOCI); or
- at fair value through profit or loss (FVTPL)

based on the business model of the entity.

However, IFRS 9 also provides an option whereby securities managed as a portfolio or group of assets and whose performance is measured on a fair value basis, to be recognised at FVPL. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. Therefore, the management considers its investment in debt securities as being managed as a group of assets and hence has classified them as FVPL.

###### **3.2.2.2 Equity instruments**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the 'Statement of Assets and Liabilities' at fair value, with gains and losses recognised in the Income Statement, except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

### **3.2.3 Impairment (other than debt securities)**

The Fund assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets (other than debt instruments) carried at amortised cost and FVOCI. The Fund recognises loss allowances for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### **3.2.4 Impairment loss on debt securities**

Provision for non-performing debt securities is made on the basis of time-based criteria as prescribed by the SECP and based on management's assessment made in line with its provisioning policy approved by the Board of Directors of the Management Company in accordance with the guidelines issued by the SECP. Impairment losses recognised on debt securities can be reversed through the Income Statement.

As allowed by the SECP, the Management Company may make provision against debt securities over and above the minimum provision requirement prescribed by the SECP, considering the specific credit and financial conditions of the debt security issuer and in accordance with the provisioning policy duly approved by the Board of Directors of the Management Company.

### **3.2.5 Regular way contracts**

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the Pakistan Stock Exchange Regulations.

### **3.2.6 Derecognition**

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the Income Statement.

## **3.3 Financial liabilities**

### **3.3.1 Classification and subsequent measurement**

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

### **3.3.2 Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

## **3.4 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the 'Statement of Assets and Liabilities' when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **3.5 Provisions**

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are regularly reviewed and adjusted to reflect the current best estimate.

### **3.6 Taxation**

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than ninety percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst to the unit holders. Furthermore, for the purpose of determining distribution of at least ninety percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

### **3.7 Net asset value per unit**

The Net Asset Value (NAV) per unit as disclosed in the Statement of Assets and Liabilities, is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

### **3.8 Issue and redemption of units**

Units issued are recorded at the offer price, determined by the Management Company for the application received by the Management Company / distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption application during business hours of that day. The redemption price is equal to NAV as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

### **3.9 Distributions to unit holders**

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

### **3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed**

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the Net Assets Value (NAV) per unit at the beginning of the relevant accounting period. Further, the element of income is a transaction of capital nature and the receipt and payment of element of income is taken to unit holders' fund. However, to maintain the same ex-dividend Net Asset Value (NAV) of all units outstanding on the accounting date, net element of income contributed on issue of units lying in unit holders' fund is refunded on units in the same proportion as dividend bears to accounting income available for distribution.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the period in which these arise.
- Dividend income is recognised when the Fund's right to receive the same is established i.e. on the commencement of date of book closure of the investee company / institution declaring the dividend.
- Interest income on savings accounts with banks, sukuks certificates, term finance certificates and government securities is recognised on a time proportion basis using the effective yield method. Except for the securities which are classified as non-performing assets under Circular No.33 of 2012 issued by SECP for which the profits are recorded on cash receipts basis.

## 3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and the Trustee and annual fee of the SECP are recognised in the Income Statement on an accrual basis.

## 3.13 Earnings per unit

Earnings per unit is calculated by dividing the income of the year after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

## 3.14 Foreign currency translation

Transactions denominated in foreign currencies are accounted for in Pakistan Rupees at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates for monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement.

	Note	2024	2023
<b>4 BANK BALANCES</b>		-----Rupees-----	
Savings accounts	4.1	161,986,973	8,103,621

4.1 These include a bank balance of Rs. 96.48 million (2023: Rs. 2.80 million) with JS Bank Limited (a related party) and carries profit rate at 20.82% (2023: 19.60%) per annum. Other saving accounts of the Fund carry profit rates ranging from 15.00% to 20.50% (2023: 15.50% to 20.50%) per annum.

	Note	2024	2023
<b>5 INVESTMENTS</b>		-----Rupees-----	
<b>At fair value through profit or loss:</b>			
Listed equity securities	5.1	1,115,429,664	582,091,311
Sukuk certificates / term finance certificates - listed	5.2	142,983,709	193,348,858
Sukuk certificates / term finance certificates - unlisted and non performing	5.3	-	-
Pakistan Investment Bonds	5.4	212,553,180	-
Market Treasury Bills	5.5	-	138,089,021
		<b>1,470,966,553</b>	<b>913,529,190</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

## 5.1 Listed equity securities

Ordinary shares have a face value of Rs. 10 each unless stated otherwise.

Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments of the Fund	
						Rupees			%		
						Number of shares					
<b>COMMERCIAL BANKS</b>											
Habib Bank Limited	481,000	55,000	-	536,000	-	-	-	-	-	-	-
United Bank Limited	321,800	52,000	-	239,200	134,600	19,697,360	34,489,904	14,792,544	2.13	2.34	0.01
Meezan Bank Limited	-	215,000	-	66,300	148,700	18,876,237	35,597,293	16,721,056	2.20	2.42	0.01
MCB Bank Limited	-	134,000	-	16,200	117,800	21,395,453	26,742,956	5,347,503	1.65	1.82	0.01
BankIslami Pakistan Limited (a related party)	943,504	394,900	-	1,044,595	293,809	5,238,199	6,540,188	1,301,989	0.40	0.44	0.03
Bank Al Habib Limited	1,783	372,000	-	57,783	316,000	27,299,687	35,448,880	8,149,193	2.19	2.41	0.03
National Bank of Pakistan	-	1,497,350	-	48,500	1,448,850	47,449,414	53,824,778	6,375,364	3.32	3.66	0.07
Askari Bank Limited	-	400,000	-	400,000	-	-	-	-	-	-	-
Bank Alfalah Limited	617,800	60,000	-	226,000	451,800	14,125,849	30,731,436	16,605,587	1.90	2.09	0.03
						154,082,199	223,375,435	69,293,236	13.79	15.18	0.19
<b>TEXTILE COMPOSITE</b>											
Gul Ahmed Textile Mills Limited	4	-	-	4	-	-	-	-	-	-	-
Nishat Chunian Limited	-	408,222	-	29,000	379,222	11,425,085	9,939,409	(1,485,676)	0.61	0.68	0.16
Nishat Mills Limited	-	298,000	-	298,000	-	-	-	-	-	-	-
Interloop Limited	12,469	-	-	12,469	-	-	-	-	-	-	-
						11,425,085	9,939,409	(1,485,676)	0.61	0.68	0.16
<b>SUGAR &amp; ALLIED INDUSTRIES</b>											
Shahtaj Sugar Mills Limited (related party)	1,600	-	-	-	1,600	79,760	166,464	86,704	0.01	0.01	0.01
						79,760	166,464	86,704	0.01	0.01	0.01
<b>CEMENT</b>											
Lucky Cement Limited	31,150	81,250	-	34,800	77,600	55,416,353	70,362,248	14,945,895	4.34	4.78	0.03
Cherat Cement Company Limited	118,500	95,000	-	213,500	-	-	-	-	-	-	-
Pioneer Cement Limited	-	200,600	-	57,000	143,600	18,481,555	24,218,140	5,736,585	1.49	1.65	0.06
D.G. Khan Cement Company Limited	250,000	1,535,000	-	1,238,000	547,000	42,192,983	49,377,690	7,184,707	3.05	3.36	0.12
Maple Leaf Cement Factory Limited	1,260,000	1,152,000	-	1,670,000	742,000	22,724,483	28,196,000	5,471,517	1.74	1.92	0.07
						138,815,374	172,154,078	33,338,704	10.62	11.71	0.28
<b>REFINERY</b>											
Pakistan Refinery Limited	-	325,000	-	325,000	-	-	-	-	-	-	-
Attock Refinery Limited	75,000	15,000	-	90,000	-	-	-	-	-	-	-
						-	-	-	-	-	-
<b>POWER GENERATION &amp; DISTRIBUTION</b>											
The Hub Power Company Limited	360,821	1,015,500	-	701,921	674,400	90,832,234	109,981,152	19,148,918	6.79	7.48	0.05
K-Electric Limited	-	9,900,000	-	4,571,000	5,329,000	25,312,783	24,673,270	(639,513)	1.52	1.68	0.02
(Face value of Rs. 3.5 each)						37,817,200	41,780,250	3,963,050	2.58	2.84	0.38
Nishat Chunian Power Limited	-	1,517,000	-	122,000	1,395,000	153,962,216	176,434,672	22,472,456	10.89	12.00	0.45
<b>OIL &amp; GAS MARKETING COMPANIES</b>											
Sui Northern Gas Pipelines Limited *	435,500	720,000	-	1,125,500	30,000	2,218,896	1,904,100	(314,796)	0.12	0.13	-
Pakistan State Oil Company Limited	189,000	253,250	-	91,500	350,750	48,531,180	58,298,158	9,766,977	3.60	3.96	0.07
						50,750,076	60,202,258	9,452,181	3.72	4.09	0.07
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>											
Pakistan Oilfields Limited	29,500	51,500	-	81,000	-	-	-	-	-	-	-
Mari Petroleum Company Limited	25,260	14,000	-	8,350	30,910	62,508,817	83,838,429	21,329,613	5.17	5.70	0.02
Oil and Gas Development Company Limited	387,500	816,500	-	629,500	574,500	70,713,652	77,770,065	7,056,413	4.80	5.29	0.01
Pakistan Petroleum Limited	500,000	783,000	-	740,500	542,500	49,283,945	63,532,175	14,248,230	3.92	4.32	0.02
						182,506,414	225,140,669	42,634,255	13.89	15.31	0.05
<b>ENGINEERING</b>											
Aisha Steel Mills Limited	531,500	2,750,000	-	417,000	2,864,500	19,430,868	21,082,720	1,651,852	1.30	1.43	0.31
Amreli Steels Limited	-	121,000	-	44,000	77,000	2,047,303	2,078,230	30,927	0.13	0.14	0.03
Mughal Iron & Steel Industries Limited	-	725,716	-	206,000	519,716	37,400,947	48,333,588	10,932,641	2.98	3.29	0.15
						58,879,118	71,494,538	12,615,420	4.41	4.86	0.49
<b>TECHNOLOGY &amp; COMMUNICATION</b>											
Air Link Communication Limited	255,581	1,057,000	-	764,081	548,500	38,792,429	48,723,255	9,930,826	3.01	3.31	0.14
Octopus Digital Limited	109,250	-	-	109,250	-	-	-	-	-	-	-
Systems Limited	119,500	51,000	-	170,500	-	-	-	-	-	-	-
Avanceon Limited	251,008	150,000	-	401,008	-	-	-	-	-	-	-
						38,792,429	48,723,255	9,930,826	3.01	3.31	0.14
<b>FERTILIZER</b>											
Engro Corporation Limited	62,843	121,200	-	75,000	109,043	32,669,021	36,279,697	3,610,676	2.24	2.47	0.02
Fauji Fertilizer Company Limited	415,222	192,100	-	512,137	95,185	9,617,833	15,551,325	5,933,492	0.96	1.06	0.01
Fauji Fertilizer Bin Qasim Limited	-	1,072,500	-	88,000	984,500	31,559,909	34,920,215	3,360,306	2.15	2.37	0.08
Engro Fertilizers Limited	296,000	211,537	-	402,500	105,037	12,939,349	17,459,250	4,519,901	1.08	1.19	0.01
						86,786,111	104,210,487	17,424,376	6.43	7.09	0.12
<b>PHARMACEUTICALS</b>											
Highnoon Laboratories Limited	42,548	-	-	42,548	-	-	-	-	-	-	-
AGP Limited	130,000	-	-	130,000	-	-	-	-	-	-	-
						-	-	-	-	-	-

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

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Name of the investee company	As at July 1, 2023	Purchased during the year	Bonus / right shares received during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of		Paid-up value of shares held as a percentage of total paid-up capital of the investee company
						Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments of the Fund	
	Number of Shares					Rupees			%		
<b>COMMERCIAL BANKS</b>											
AgriTech Limited *	772,253	-	-	751,500	20,753	90,068	424,606	334,538	0.03	0.03	-
Engro Polymer and Chemicals Limited	290,000	160,000	-	450,000	-	-	-	-	-	-	-
Descon Oxychem Limited	725,000	-	-	725,000	-	-	-	-	-	-	-
						90,068	424,606	334,538	0.03	0.03	-
<b>GLASS AND CERAMICS</b>											
Ghani Glass Limited	-	515,000	-	303,000	212,000	6,449,452	5,524,720	(924,732)	0.34	0.38	0.02
Tariq Glass Industries Limited	-	275,000	-	125,000	150,000	15,897,001	17,482,500	1,585,499	1.08	1.19	0.09
						22,346,453	23,007,220	660,767	1.42	1.57	0.11
<b>PAPER, BOARD &amp; PACKAGING</b>											
Cherat Packaging Limited	56	-	-	56	-	-	-	-	-	-	-
Synthetic Products Enterprises Limited * (Face value of Rs. 5 each)	7,930	-	-	-	7,930	82,472	126,246	43,774	0.01	0.01	-
						82,472	126,246	43,774	0.01	0.01	-
<b>INV. BANKS / INV. COS. / SECURITIES COS.</b>											
PIA Holding Company Limited	-	2,810,000	-	2,810,000	-	-	-	-	-	-	-
<b>FOOD AND PERSONAL CARE PRODUCTS</b>											
Al Shaheer Corporation Limited *	3,758	-	-	-	3,758	27,170	30,327	3,157	-	-	-
						27,170	30,327	3,157	-	-	-
<b>Total value as at June 30, 2024</b>						<u>898,624,945</u>	<u>1,115,429,664</u>	<u>216,804,718</u>			
<b>Total value as at June 30, 2023</b>						<u>635,450,449</u>	<u>582,091,311</u>	<u>(53,359,137)</u>			

\* nil figures due to rounding off

5.1.1 Following shares have been pledged with National Clearing Company of Pakistan Limited for guaranteeing settlement of the Fund's trades in accordance with Circular No. 11 dated October 23, 2007 issued by the SECP.

	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	Number of Shares		Rupees	
<b>OIL &amp; GAS MARKETING COMPANIES</b>				
Pakistan State Oil Company Limited	150,000	-	24,931,500	-
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>				
Oil and Gas Development Company Limited	200,000	-	27,074,000	-
<b>COMMERCIAL BANK</b>				
Habib Bank Limited	-	130,000	-	9,519,900
<b>POWER GENERATION &amp; DISTRIBUTION</b>				
The Hub Power Company Limited	-	240,000	-	16,699,200
	<u>350,000</u>	<u>370,000</u>	<u>52,005,500</u>	<u>26,219,100</u>

5.1.2 The Finance Act, 2014 introduced amendments to the Income Tax Ordinance, 2001 as a result of which companies were liable to withhold five percent of the bonus shares to be issued. The shares so withheld were only to be released if the Fund deposits tax equivalent to five percent of the value of the bonus shares issued to the Fund including bonus shares withheld, determined on the basis of day-end price on the first day of closure of books of the issuing company.

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the Honourable High Court of Sindh in favour of CISs.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

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On June 27, 2018, the Supreme Court of Pakistan passed a judgement whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically. The CISs have filed a fresh constitutional petition via CP 4653 dated July 11, 2019 and on July 15, 2019, the Honourable High Court of Sindh has issued notices to the relevant parties and has ordered that no third party interest on bonus shares issued to the Funds in lieu of their investments be created in the meantime. The matter is still pending adjudication and the Fund has included these shares in its portfolio, as the management is confident that the decision of the constitutional petition will be in favour of the CISs.

Further, the Finance Act, 2018 effective from July 1, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 requiring every company quoted on stock exchange issuing bonus shares to the shareholders of the company, to withhold five percent of the bonus shares to be issued. Therefore, bonus shares issued to the Fund since July 1, 2018 were not withheld by the investee companies.

As at June 30, 2024, the following bonus shares of the Fund were withheld by certain companies at the time of declaration of the bonus shares.

Name of the company	June 30, 2024		June 30, 2023	
	Bonus Shares			
	Number of shares withheld	Market value	Number of shares withheld	Market value
	(Rupees)		(Rupees)	
Synthetic Products Enterprises Limited	7,930	126,246	7,930	82,472
Al Shaheer Corporation Limited	3,758	30,327	3,758	27,170
	<u>11,688</u>	<u>156,573</u>	<u>11,688</u>	<u>109,642</u>

## 5.2 Sukuk certificates / term finance certificates - listed

Certificates having face value of Rs. 100,000 each unless stated otherwise.

Name of security	Profit rate	Maturity date	As at July 01, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of	
							Carrying value	Market value	Unrealised (diminution) / appreciation	net assets	total investment
						Number of certificates	Rupees			%	
<b>Term Finance Certificate</b>											
<b>Commercial banks</b>											
Bank Alfalah TFC Series - A * (AAA, PACRA)	9.03%	January 15, 2024	6,000	-	6,000	-	-	-	-	-	-
<b>Corporate sukuk certificates</b>											
<b>Power generation &amp; distribution</b>											
Hub Power Holding Limited ** (AA+, PACRA)	24.08%	November 12, 2025	1,000	-	-	1,000	77,630,000	76,462,500	(1,167,500)	4.72	5.20
K-Electric (AA+, PACRA)	23.08%	November 23, 2029	-	660	-	660	65,994,289	66,521,209	526,920	4.10	4.52
K-Electric (AA, PACRA)	17.45%	November 1, 2029	12,200	-	12,200	-	-	-	-	-	-
K-Electric Limited SST *** (A-1+, VIS)	22.94%	March 22, 2022	-	14	14	-	-	-	-	-	-
<b>Total value as at June 30, 2024</b>							<u>143,624,289</u>	<u>142,983,709</u>	<u>(640,580)</u>		
<b>Total value as at June 30, 2023</b>							<u>188,518,220</u>	<u>193,348,858</u>	<u>4,830,638</u>		

\* Certificate having face value of Rs.5,000 each.

\*\* Certificate having face value of Rs.75,000 each.

\*\*\* Certificate having face value of Rs.1,000,000 each.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.3 Sukuk certificates / term finance certificates - unlisted and non performing

Name of the Investee Company	Note	As at July 01, 2023	Purchased during the year	Sold during the year	As at June 30, 2024	Balance as at June 30, 2024			Market value as a percentage of	
						Carrying value	Market value	Unrealised appreciation / (diminution)	net asset	total investments
						----- Rupees -----			----- % -----	
<b>Unlisted sukuk certificates</b>										
<b>Chemicals</b>										
Agritech Limited	5.3.1	25,700	-	-	25,700	104,671,588	-	-	-	-
Less: provision against financial asset						(104,671,588)	-	-	-	-
<b>Unlisted Term Finance Certificates</b>										
<b>Privately Placed Term Finance Certificates</b>										
<b>Textile composite</b>										
Azgard Nine Limited (related party)	5.3.2	4,750	-	-	4,750	17,898,553	-	-	-	-
Less: provision against financial asset						(17,898,553)	-	-	-	-
Azgard Nine Limited (related party)	5.3.3	9,897	-	-	9,897	49,485,000	-	-	-	-
Less: provision against financial asset						(49,485,000)	-	-	-	-
<b>Chemicals</b>										
Agritech Limited	5.3.4	3,733	-	-	3,733	18,665,000	-	-	-	-
Less: provision against financial asset						(18,665,000)	-	-	-	-
<b>Total value as at June 30, 2024</b>						<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total value as at June 30, 2023</b>						<b>-</b>	<b>-</b>	<b>-</b>		

**5.3.1** These sukuk certificates have face value of Rs. 5,000 per certificate, and carry a mark-up equal to six months offered rate of KIBOR plus 200 basis points receivable semi-annually in arrears and were due to mature in August 2015. These are secured by way of hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favor of the Trustee for the benefit of certificate holders. These sukuk were classified as non performing asset by Mutual Fund Association of Pakistan (MUFAP) as on August 21, 2010, on account of non payment of the coupon due in August 2010. Therefore, the Fund had made provision of 100% of principal outstanding in 2011 and accordingly, no accrual for profit have been made by the Fund.

In respect of Agritech Limited, the Petitioner and its management held various meetings with the creditors for the purpose of formulating a plan to discharge the Company's liability towards the creditor and finally agreed in principle on the terms and conditions which are enumerated in the Scheme of Arrangement. The Honorable High Court of Lahore has approved the said "Scheme of Arrangement"(SOA) on July 5, 2022. Scheme of arrangement has two options for the settlement of liabilities and fund has elected for option 2 as mentioned in 'schedule F' of the Scheme for the settlement of fund outstanding liability. As per option 2 of the SOA, the outstanding principal against above sukuk certificates and zero coupon PPTFCs will be converted into preference shares as reduced by application of unutilized cash flow available for debt servicing (CFADS). The overdue / outstanding markup amounting to 40,659,871 shall be converted into Zero coupon PPTFCs which shall be payable at the end of FY 2026 as bullet payment. The instruments have not yet been issued by Agritech as at December 31, 2023. In this regard, the Fund received the three tranches CFADS of total Rs. 9,743,500 in the year ended June 30, 2023. During the current year, the Fund has received the two tranches CFADS of Rs. 2,350,882 and Rs. 835,513 on October 2, 2023 and December 28, 2023 respectively and written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

**5.3.2** The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. As per the Approved Scheme the Fund was classified as an Option C creditor. The Approved Scheme stated that the principal repayment of Rs. 31.980 million of the Option C creditor, will be paid over a period of 10 years starting from Time Zero Date i.e. April 29, 2021 through some partial cash payments (of which Rs. 1.41 and Rs. 1.19 million have already been received at time zero and Rs. 6.82 million will be received within 2 years from time zero) and remaining amount by issuance of 4,750 PPTFCs (Sub PPTFCs) of Rs. 23.75 million against 10,000 PPTFCs which was restructured during the year ended June 30, 2022. In this regard, the Fund received four tranches of interest income of Rs. 1,187,500 in the year ended June 30, 2023. During the current year, the Fund has received four tranches of principal redemption of Rs. 5,851,447 on July 25, 2023, October 26, 2023, January 30, 2024 and April 26, 2024 and written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

**5.3.3** The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. A fresh issue of 9,897 zero coupon 10 years PPTFCs was issued of Rs. 49.485 million against the interest accrued on TFCs and PPTFCs till the date of restructuring on the existing PPTFC of 3,853 Sukuk certificates of Agritech Limited which were issued against the interest receivable on 10,000 PPTFCs of Azgard Nine Limited and was restructured during the year ended June 30, 2022. Since these TFCs are non-performing and have been reclassified as a non-performing asset by MUFAP, these have been fully provided.

**5.3.4** These zero coupon TFCs were issued on January 11, 2012 against outstanding mark-up due on 3,853 PPTFCs of Agritech Limited which was restructured during the year ended June 30, 2022. The principal amounting to Rs. 18.67 million outstanding against these TFCs was redeemable in six equal semi-annual instalments starting from July 01, 2012 and was matured on January 01, 2015. However no principal repayment has been received by the Fund. Therefore, these TFCs were classified as Non Performing Asset by MUFAP on January 17, 2012.

## 5.4 Pakistan Investments Bond

Particulars	Issue date	Face value			Balance as at June 30, 2024			Market value as a percentage of		
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised diminution	net assets of the Fund	total investments of the Fund
----- (Rupees) -----										
Pakistan Investment Bonds - 3 years	February 15, 2024	-	225,000,000	-	225,000,000	212,845,739	212,553,180	(292,559)	13.12	14.45
<b>Total as at June 30, 2024</b>		-	225,000,000	-	225,000,000	212,845,739	212,553,180	(292,559)		
<b>Total as at June 30, 2023</b>						-	-	-		

**5.4.1** This carries effective yield rate of 16.62% per annum and will mature on February 15, 2027.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 5.5 Market Treasury Bills

Name of security	Issue date	Face value				Balance as at June 30, 2024			Market value as a percentage of		
		As at July 1, 2023	Purchased during the year	Sold / matured during the year	As at June 30, 2024	Carrying value	Market value	Unrealised diminution	net assets	total investment	
										Rupees	%
<b>Market treasury bills</b>											
- 3 months	April 20, 2023	139,100,000	-	139,100,000	-	-	-	-	-	-	
- 3 months	August 10, 2023	-	135,000,000	135,000,000	-	-	-	-	-	-	
- 3 months	October 5, 2023	-	140,000,000	140,000,000	-	-	-	-	-	-	
- 3 months	October 19, 2023	-	135,000,000	135,000,000	-	-	-	-	-	-	
- 3 months	November 30, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-	
- 3 months	July 13, 2023	-	140,000,000	140,000,000	-	-	-	-	-	-	
- 3 months	March 7, 2024	-	100,000,000	100,000,000	-	-	-	-	-	-	
<b>Market Treasury Bills</b>											
- 6 months	June 15, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-	
<b>Total value as at June 30, 2024</b>						-	-	-	-	-	
<b>Total value as at June 30, 2023</b>						138,130,284	138,089,021	(41,263)			

## 5.6 Details of non-compliant investments

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.

Following are the details of non-compliant investments. At the time of investment, these were compliant as per SECP criteria and the investment policy of the Fund.

Name of non-compliant investments	Type of investments	Value of investment before provision	Provision held if any	Value of investment after provision	Market value as a percentage of	
					net assets	total investments
(Rupees)						
Agritech Limited	Sukuk	104,671,588	(104,671,588)	-	-	-
Agritech Limited	PPTFC	18,665,000	(18,665,000)	-	-	-
Azgard Nine Limited (related party)	PPTFC	17,898,553	(17,898,553)	-	-	-
Azgard Nine Limited (related party)	PPTFC	49,485,000	(49,485,000)	-	-	-

## 5.7 Net unrealised appreciation / (diminution) on re-measurement of investments classified as financial asset at 'fair value through profit or loss'

	Note	2024	2023
(Rupees)			
Market value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	1,470,966,553	913,529,190
Less: carrying value of investments	5.1, 5.2, 5.3, 5.4 & 5.5	1,255,094,973	962,098,953
		215,871,580	(48,569,763)

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 6 PROFIT RECEIVABLES

Mark-up / profit receivable on:

- Bank balances
- Sukuk certificates

2024	2023
-----Rupees-----	
3,290,964	550,568
15,999,192	6,244,291
19,290,156	6,794,859

6.1 This includes profit receivable of Rs. 0.984 million (2023: Rs. 0.355 million) from JS Bank Limited (a related party).

## 7 ADVANCES, DEPOSITS AND PREPAYMENTS

Security deposit with National Clearing Company of Pakistan Limited (NCCPL)  
 Security deposit with Central Depository Company of Pakistan Limited  
 Advance tax  
 Prepaid annual fee - NCCPL

Note

2024	2023
-----Rupees-----	
2,750,000	1,750,000
100,000	100,000
930,280	930,280
282,500	125,000
4,062,780	2,905,280

7.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholders. The tax withheld on dividends and profit on bank deposits amounted to Rs. 0.930 million (2023: Rs. 0.930 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit received by the Fund on bank deposits has been shown as advance tax (receivable) as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded to the Fund.

## 8 PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY

Remuneration payable to the Management company  
 Sindh Sales Tax payable on remuneration of the Management Company  
 Federal Excise Duty payable on remuneration of the Management Company  
 Allocated expenses payable  
 Selling and marketing expense payable  
 Printing and stationery charges payable

Note

2024	2023
-----Rupees-----	
2,811,376	1,510,686
2,346,022	2,176,155
13,262,475	13,262,475
140,564	75,539
4,076,064	2,761,368
75,037	121,954
22,711,538	19,908,177

8.1 As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to amount not exceeding the maximum rate of management fee as disclosed in the offering document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (2023: 2%) per annum of the average annual net assets of the Fund during the year ended June 30, 2024. The remuneration is payable to the Management Company in arrears.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

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- 8.2** This includes Sindh Sales Tax accrued on Federal Excise Duty payable on remuneration of the management company amounting to Rs. 1.981 million (2023: 1.981 million) as at June 30, 2024. Had the provision for Sindh Sales Tax on FED not made, net asset value per unit of the Fund as at the year end would be higher by Re. 0.28 (2023: 0.33).

During the year, an amount of Rs. 3.159 million (2023: Rs. 2.301 million) was charged on account of sales tax on the remuneration of the Management Company levied through the Sindh Sales Tax on Services Act, 2011.

- 8.3** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration made was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Honourable Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.

During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made for the period from June 13, 2013 till June 30, 2016 amounting to Rs 13.262 million is being retained in the financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the Net Asset Value (NAV) per unit of the Fund would have been higher by Rs. 1.860 (2023: Rs. 2.214) per unit.

- 8.4** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company, based on its discretion has charged such expenses at the rate of 0.1% (2023: 0.1%) of the average annual net assets of the Fund during the year.

- 8.5** In accordance with Circular 11 dated July 5, 2019 with respect to charging selling and marketing expenses, the Management Company based on its own discretion has charged selling and marketing expenses at 1.07% (2023: 1.07%) of the average annual net assets of the Fund during the year subject to not being higher than the actual expense incurred.

During the year, the Securities and Exchange Commission of Pakistan (SECP) carried out onsite inspection of the Management Company and inspected, among other matters, the mechanism of chargeability of selling & marketing expenses to the funds under its management. As a result of this inspection, SECP raised certain observations relating to the chargeability of such expenses by the Management Company to the funds under its management. The Management Company has responded to the observations highlighted by the SECP and there has been no further correspondence on this matter with the SECP. Accordingly, the impact of the SECP's observations on unit holder's fund, if any, is not determinable as at the reporting date.

9	PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE	Note	2024	2023
			-----Rupees-----	
	Remuneration payable	9.1	222,533	151,079
	Sindh Sales Tax payable on remuneration of the Trustee	9.2	28,929	19,641
			<u>251,462</u>	<u>170,720</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

- 9.1 Central Depository of Pakistan Limited (the Trustee) is entitled to a monthly remuneration of services rendered to the Fund under the provision of the Trust Deed as follows:

Net Assets (Rs.)	Tariff
- up to rupees one billion	- 0.20% per annum of the daily net assets
- exceeding rupees one billion	- Rs. 2,000,000 plus 0.10% per annum of the daily net assets on amount exceeding Rs. 1 billion

- 9.2 During the year, an amount of Rs 0.287 million (2023: Rs 0.241 million) was charged on account of Sindh sales tax on remuneration of the Trustee levied through the Sindh Sales Tax on Services Act, 2011 at the rate of 13% (2023: 13%).

10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN	Note	2024	2023
		(Rupees)	
Annual fee payable	10.1	119,480	186,072

- 10.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.085% of net assets, applicable on "balanced scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP Fee at the rate of 0.085% of net assets during the current year.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

11 ACCRUED EXPENSES AND OTHER LIABILITY	2024	2023
	-----Rupees-----	
Auditors' remuneration payable	534,120	604,125
Brokerage fee payable	44,674	28,378
Zakat payable	54,378	117,974
Withholding tax payable	13,239,442	3,407,352
Other payable	365,415	365,415
	<u>14,238,029</u>	<u>4,523,244</u>

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

13 NUMBER OF UNITS IN ISSUE	2024	2023
	-----Number of units-----	
Total units in issue at the beginning of the year	5,991,265	6,174,768
Units issued during the year	2,571,718	1,707,877
Less: units redeemed during the year	1,433,471	1,891,380
Total units in issue at the end of the year	<u>7,129,512</u>	<u>5,991,265</u>

14 PROFIT EARNED	Note	2024	2023
		-----Rupees-----	
Profit earned on:			
- Bank balances	14.1	28,071,658	12,415,813
- Sukuk certificates		43,567,104	29,555,501
- Government securities		23,683,533	21,430,779
- Commercial paper		-	4,954,268
		<u>95,322,295</u>	<u>68,356,361</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

14.1 This includes interest income of Rs. 18.472 million (2023: Rs. 7.018 million) on balances maintained with JS Bank Limited (a related party).

	Note	2024	2023
<b>15 OTHER INCOME</b>		-----Rupees-----	
Income received on fully provided TFC	15.1	9,037,842	10,930,990
Markup from NCCPL on deposit of initial margin		-	10,959
		<u>9,037,842</u>	<u>10,941,949</u>

15.1 This includes income of Rs. 5.851 million (2023: Rs. 1.188 million) received from Azgard Nine Limited (a related party).

	Note	2024	2023
<b>16 AUDITORS' REMUNERATION</b>		-----Rupees-----	
Annual audit fee		384,948	359,358
Half yearly review		280,800	155,928
Other certification		108,000	32,400
Out of pocket expense		77,375	15,940
		<u>851,123</u>	<u>563,626</u>
<b>17 CASH AND CASH EQUIVALENTS</b>			
Bank balances	4	161,986,973	8,103,621
Government securities - Market Treasury Bills		-	138,089,021
		<u>161,986,973</u>	<u>146,192,642</u>

## 18 TAXATION

The income of the Fund is exempt from income tax under clause (99) of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company has distributed the required minimum percentage of income earned by the Fund for the year ended June 30, 2024 to the unit holders in a manner as explained above, no provision for taxation has been made in these financial statements during the year.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 19 TOTAL EXPENSE RATIO

The Total Expense Ratio (TER) of the Fund for the year ended June 30, 2024 is 4.27% (2023: 4.18%) which includes 0.43% (2023: 0.34%) representing government levies on the Fund such as Sales Taxes, annual fee to the SECP, etc. This ratio is within the maximum limit of 4.50% prescribed under the NBFC Regulations for a collective investment scheme categorised as a "Balanced scheme".

## 20 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Central Depository Company of Pakistan Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of the Management Company - holding 84.56% shares of JS Investments Limited, Jahangir Siddiqui & Co. Limited (JSCL) being the holding company of JSBL - holding 71.20 % shares of JS Bank Limited, BankIslami Pakistan Limited (BIPL) which is a fellow subsidiary of JSBL - 75.12% shares are held by JS Bank Limited, JS Global Capital Limited (JSGCL) which is a fellow subsidiary of JSBL - 92.90% shares are held by JS Bank Limited and other associated companies of JSBL, JSGCL, JSIL and its subsidiaries, key management

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

personnel, directors and their close family members of the above entities and other Funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2024. It also includes staff retirement benefit Funds of the above related parties / connected persons.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, sale and purchase of investments, sales load, other charges and distribution payments to connected persons. The transactions with connected persons are also in the normal course of business, at contracted rates and at terms determined in accordance with market rates. The management considers that the transactions between the related parties / connected persons are executed in accordance with the parameters defined in the Offering Document, Trust Deed and NBFC Regulations which are publicly available documents and hence, the transactions are considered to be on an arm's length basis.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

Accounting and operational charges and selling and marketing expenses are charged to the Fund by the Management Company subject to the maximum prescribed Total Expense Ratio.

The details of transactions during the year and balances at year end with the connected persons / related parties are as follows:

## 20.1 Details of transactions with related parties / connected persons during the year are as follows:

### JS Investments Limited - Management Company

	2024	2023
	Rupees	
Remuneration to the Management Company	24,302,753	17,701,885
Sindh Sales Tax on remuneration of the Management Company	3,159,358	2,301,245
Allocated expenses	1,215,201	930,863
Selling and marketing expense	13,002,649	11,100,953
Printing and stationery	101,468	101,468
Purchase of units: 181,154 (2023: : Nil unit)	38,000,000	-
Redemption of units: 181,154 (2023 : Nil unit)	40,850,745	-

### Central Depository Company of Pakistan Limited - Trustee

Remuneration of the Trustee	2,210,568	1,856,280
Sindh Sales Tax on remuneration of the Trustee	287,374	241,316
Annual, transaction, custodian, CDS connection fee	124,437	82,131

### JS Global Capital Limited (Fellow subsidiary of JSBL)

Brokerage fee	620,389	359,498
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### JS Bank Limited (Parent Company of JSIL)

Markup on bank balances	18,472,139	7,017,666
Proceeds from sale of share of BankIslami Pakistan Limited	14,288,324	-

### Azgard Nine Limited (Associate of JSCL)

Markup received (ANL PPTFC)	5,851,447	1,187,500
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# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	Rupees	
<b>JS Fund of Funds</b>		
<b>(Fund under JSIL Management)</b>		
Issuance of units: 1,927,294 units (2023: 1,493,213 units)	420,000,000	229,000,000
Redemption of units: 938,482 units (2023: 1,493,213 units)	194,885,036	228,576,308
Refund of capital: 44,827 units (2023: Nil units) *	-	-
Dividend reinvested: 26,913 units (2023: Nil units)	6,120,741	-
<b>Key Management Personnel of the Management Company</b>		
Issuance of units: 39,097 units (2023: 2,236 units)	9,040,320	350,000
Redemption of units: 21,710 units (2023: Nil units)	5,196,776	-
Refund of capital: 1,476 units (2023: 34 units) *	-	-
Dividend reinvested: 1,084 units (2023: 758 units)	246,451	115,152
<i>* Issued at nil value as refund of capital</i>		
<b>20.2 Details of balances with related parties / connected persons as at year end</b>		
<b>JS Investments Limited - Management Company</b>		
Remuneration payable to the Management Company	2,811,376	1,510,686
Sindh Sales Tax payable on remuneration of the Management Company	2,346,022	2,176,155
Federal Excise Duty payable on remuneration of the Management Company	13,262,475	13,262,475
Allocated expenses payable	140,564	75,539
Selling and marketing expense payable	4,076,064	2,761,368
Printing and stationary charges payable	75,037	121,954
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	222,533	151,079
Sindh Sales Tax payable on remuneration of the Trustee	28,929	19,641
Annual, transaction, trustee, CDS connection fee payable	7,767	2,611
Security deposit	100,000	100,000
<b>JS Bank Limited</b>		
<b>(Parent Company of JSIL)</b>		
Bank balance	96,475,463	2,799,811
Accrued return on bank balance	983,574	355,379
<b>JS Global Capital Limited</b>		
<b>(Fellow subsidiary of JSBL)</b>		
Brokerage fee payable	-	10,860
<b>JS Fund of Funds</b>		
<b>(Fund under JSIL Management)</b>		
Units outstanding: 1,060,552 (2023: Nil) units	241,052,909	-
<b>Unit holders holding more than 10% of units</b>		
Units outstanding: 4,183,076 (2023: 3,940,091) units	950,771,344	600,982,034
<b>Key Management Personnel of the Management Company</b>		
Units outstanding: 40,483 units (2023: 20,536 units)	9,201,381	3,132,340

**20.3** Other balances due to / from related parties / connected persons are included in the respective notes to the financial statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 21 FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets

Bank balances	161,986,973	-	161,986,973
Investments	-	1,470,966,553	1,470,966,553
Profit receivable	19,290,156	-	19,290,156
Advances and deposits	2,850,000	-	2,850,000
Receivable against sale of investment	8,509,416	-	8,509,416
	<u>192,636,545</u>	<u>1,470,966,553</u>	<u>1,663,603,098</u>

### Financial liabilities

Payable to JS Investments Limited - Management Company	22,711,538	-	22,711,538
Payable to Central Depository Company of Pakistan Limited - Trustee	251,462	-	251,462
Accrued expenses and other liabilities	944,209	-	944,209
Payable against purchase of investments	3,897,464	-	3,897,464
Dividend payable	3,097,956	-	3,097,956
	<u>30,902,629</u>	<u>-</u>	<u>30,902,629</u>

----- As at June 30, 2024 -----		
At amortised cost	At 'fair value through profit or loss'	Total
----- Rupees -----		
Bank balances	-	161,986,973
Investments	1,470,966,553	1,470,966,553
Profit receivable	-	19,290,156
Advances and deposits	-	2,850,000
Receivable against sale of investment	-	8,509,416
	<u>1,470,966,553</u>	<u>1,663,603,098</u>
Payable to JS Investments Limited - Management Company	-	22,711,538
Payable to Central Depository Company of Pakistan Limited - Trustee	-	251,462
Accrued expenses and other liabilities	-	944,209
Payable against purchase of investments	-	3,897,464
Dividend payable	-	3,097,956
	<u>-</u>	<u>30,902,629</u>

### Financial assets

Bank balances	8,103,621	-	8,103,621
Investments	-	913,529,190	913,529,190
Profit receivable	6,794,859	-	6,794,859
Advances and deposits	1,850,000	-	1,850,000
Receivable against sale of investment	8,734,936	-	8,734,936
	<u>25,483,416</u>	<u>913,529,190</u>	<u>939,012,606</u>

### Financial liabilities

Payable to JS Investments Limited - Management Company	19,908,177	-	19,908,177
Payable to Central Depository Company of Pakistan Limited - Trustee	170,720	-	170,720
Accrued expenses and other liabilities	997,918	-	997,918
Dividend payable	1,443,069	-	1,443,069
	<u>22,519,884</u>	<u>-</u>	<u>22,519,884</u>

----- As at June 30, 2023 -----		
At amortised cost	At 'fair value through profit or loss'	Total
----- Rupees -----		
Bank balances	-	8,103,621
Investments	913,529,190	913,529,190
Profit receivable	-	6,794,859
Advances and deposits	-	1,850,000
Receivable against sale of investment	-	8,734,936
	<u>913,529,190</u>	<u>939,012,606</u>
Payable to JS Investments Limited - Management Company	-	19,908,177
Payable to Central Depository Company of Pakistan Limited - Trustee	-	170,720
Accrued expenses and other liabilities	-	997,918
Dividend payable	-	1,443,069
	<u>-</u>	<u>22,519,884</u>

## 22 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk.

### Risk management framework

The Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive

documents and the Regulations and directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the Audit Committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

## **22.1 Market risk**

Market risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

The Management Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines approved by the Investment Committee and the Regulations laid down by the SECP.

Market risk comprises of three types of risk: currency risk, interest / profit rate risk and other price risk.

### **22.1.1 Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund does not have any financial instruments in foreign currencies and hence it is not exposed to such risk.

### **22.1.2 Interest / profit rate risk**

Interest / profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2024, the Fund is mainly exposed to interest rate risk on balances held with banks, market treasury bills and term finance certificates. The Investment Committee of the Fund reviews the portfolio on a regular basis to ensure that the risk is managed within the acceptable limits.

#### **(a) Sensitivity analysis for variable rate instruments**

As at June 30, 2024, the Fund holds balances with banks and sukuk certificates amounting Rs 304.971 million (2023: Rs 201.452 million) exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the year would have been higher / lower by Rs 3.050 million (2023: Rs 2.126 million). The analysis assumes that all other variables remain constant.

#### **(b) Sensitivity analysis for fixed rate instruments**

As at June 30, 2024, the Fund holds Pakistan investments bond which are classified 'at fair value through profit or loss' exposing the Fund to fair value interest rate risk. In case of 100 basis points increase / decrease in KIBOR at year end announced by the Financial Markets Association of Pakistan (FMAP) on June 30, 2023 with all other variables held constant, net income for the year and net assets of the Fund would have been lower / higher by Rs 2.126 million (2023: Rs 1.664 million).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

The composition of the Fund's investment portfolio, profit rates and the rates announced by the Financial Markets Association of Pakistan (FMAP) are expected to change overtime. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on settlement date.

The Fund's interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 and June 30, 2023 can be determined as follows:

----- June 30, 2024 -----					
Effective interest rate	---Exposed to interest rate risk---			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
-----%-----	-----Rupees-----				
<b>Financial assets</b>					
Bank balances	15.00 - 20.82	161,986,973	-	-	161,986,973
Investments	16.62 - 24.08	-	-	355,536,889	1,470,966,553
Profit receivable		-	-	-	19,290,156
Advances and deposits		-	-	-	2,850,000
Receivable against sale of investment		-	-	-	8,509,416
		161,986,973	-	355,536,889	1,146,079,236
<b>Financial liabilities</b>					
Payable to JS Investments Limited - Management Company		-	-	-	22,711,538
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	251,462
Accrued expenses and other liabilities		-	-	-	944,209
Payable against purchase of investments		-	-	-	3,897,464
Dividend payable		-	-	-	3,097,956
		-	-	-	30,902,629
<b>On-balance sheet gap (a)</b>		161,986,973	-	355,536,889	1,115,176,607
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		161,986,973	-	355,536,889	
<b>Cumulative interest rate sensitivity gap</b>		161,986,973	161,986,973	517,523,862	

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

----- June 30, 2023 -----					
Effective interest rate	---Exposed to interest rate risk---			Not exposed to interest rate risk	Total
	Up to three months	More than three months and up to one year	More than one year		
-----%-----	-----Rupees-----				
<b>Financial assets</b>					
Bank balances	15.50 - 20.50	8,103,621	-	-	8,103,621
Investments	9.03 - 24.58	200,457,129	102,630,000	-	913,529,190
Profit receivable		-	-	6,794,859	6,794,859
Advances and deposits		-	-	1,850,000	1,850,000
Receivable against sale of investment		-	-	8,734,936	8,734,936
		208,560,750	102,630,000	-	627,821,856
				627,821,856	939,012,606
<b>Financial liabilities</b>					
Payable to JS Investments Limited - Management Company		-	-	-	19,908,177
Payable to Central Depository Company of Pakistan Limited - the Trustee		-	-	-	170,720
Accrued expenses and other liabilities		-	-	-	997,918
Dividend payable		-	-	-	1,443,069
		-	-	-	22,519,884
		-	-	-	22,519,884
<b>On-balance sheet gap (a)</b>		<u>208,560,750</u>	<u>102,630,000</u>	<u>-</u>	<u>916,492,722</u>
<b>Off-balance sheet financial instruments</b>		-	-	-	-
<b>Off-balance sheet gap (b)</b>		-	-	-	-
<b>Total interest rate sensitivity gap (a+b)</b>		<u>208,560,750</u>	<u>102,630,000</u>	<u>-</u>	
<b>Cumulative interest rate sensitivity gap</b>		<u>208,560,750</u>	<u>311,190,750</u>	<u>311,190,750</u>	

## 22.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price risk arising from the Fund investments in equity securities. The Fund manages its price risk arising from investments by diversifying its portfolio within the eligible limits prescribed in the Fund's Constitutive Documents, the NBFC Regulations and circulars issued by SECP from time to time.

In case of 1% increase / decrease in PSX index on June 30, 2024, with all other variables held constant, the total income of the Fund for the year would increase / decrease by Rs. 11.154 million (2023: Rs. 5.821 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on investments classified as financial assets at fair value through profit or loss.

## 22.2 Credit risk

Credit risk represents the risk of a loss that would be recognised at the reporting date if the counter parties fail to perform as contracted. The Fund is exposed to counter party credit risks on investments (other than Pakistan investments bond), balances with banks and other receivables. The credit risk on the Fund is limited because the counterparties are financial institutions with reasonably high credit ratings. Investments in Pakistan investments bond are government backed and hence considered as secured.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## Exposure to credit risk

The Fund's maximum exposure to credit risk is as follows:

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure	Balance as per statement of assets and liabilities	Maximum exposure
	----- Rupees -----		----- Rupees -----	
Bank balances	161,986,973	161,986,973	8,103,621	8,103,621
Investments	1,470,966,553	142,983,709	913,529,190	193,348,858
Profit receivables	19,290,156	19,290,156	6,794,859	6,794,859
Advances and deposits	2,850,000	2,850,000	1,850,000	1,850,000
Receivable against sale of investments	8,509,416	8,509,416	8,734,936	8,734,936
	<u>1,663,603,098</u>	<u>335,620,254</u>	<u>939,012,606</u>	<u>218,832,274</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Difference in the balance as per statement of assets and liabilities and maximum exposure is due to the fact that investments in Government securities and equity securities amounting to Rs. 212.553 million and Rs. 1,115.430 million respectively are not exposed to credit risk.

## Management of credit risk

The Fund's policy is to enter into financial contracts in accordance with the investment guidelines approved by the Investment Committee, its Trust Deed and the requirements of the NBFC Rules and Regulations. Before making investment decisions, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.

Credit risk is managed and controlled by the Management Company of the Fund in the following manner:

- Where the Investment Committee makes an investment decision, the credit rating and credit worthiness of the issuer is taken into account along with the financial background so as to minimise the risk of default.
- Analyses of credit ratings.
- The risk of counterparty exposure due to failed trades causing a loss to the Fund is mitigated by a periodic review of the credit ratings and financial statements of the counter party on a regular basis.
- Cash is held only with reputable banks with high quality external credit ratings.
- Investment transactions are carried out with a large number of brokers, whose credit worthiness is taken into account so as to minimise the risk of default and transactions are settled or paid for only upon delivery.

The Fund's policy is to enter into financial contracts in accordance with the internal risk management policies and investment guidelines approved by the Investment Committee. The Fund does not expect to incur material credit losses on its financial assets.

The analysis below summarises the credit quality of the Fund's financial assets:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 22.2.1 Credit quality of financial assets

----- June 30, 2024 -----			
Name of bank	Rating agency	Latest available published rating	Percentage
Allied Bank Limited	PACRA	AAA	0.05%
Bank Alfalah Limited	PACRA	AAA	41.11%
Habib Metropolitan Bank Limited	PACRA	AA+	0.10%
Dubai Islami Bank Limited	VIS	AA	0.06%
Samba Bank Limited	PACRA	AA	0.01%
JS Bank Limited	PACRA	AA	58.67%
Sindh Bank Limited*	VIS	AA-	0.00%

----- June 30, 2023 -----			
Name of bank	Rating agency	Latest available published rating	Percentage
Allied Bank Limited	PACRA	AAA	1.71%
Bank Alfalah Limited	PACRA	AA+	54.72%
Habib Metropolitan Bank Limited	PACRA	AA+	1.68%
Faysal Bank Limited	PACRA	AA	6.22%
Dubai Islami Bank Limited	VIS	AA	1.02%
Samba Bank Limited	PACRA	AA	0.10%
JS Bank Limited	PACRA	AA-	34.55%
Sindh Bank Limited*	VIS	A+	-

\*nil due to rounding off

Ratings of investments have been disclosed in related notes to these financial statements. Since, the assets of the Fund are held with credit worthy counterparties, therefore any significant credit risk is mitigated.

## 22.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure.

As transactions are entered with credit worthy parties and are within the regulatory limits, therefore any significant concentration of credit risk is mitigated.

All financial assets of the Fund as at June 30, 2024 and June 30, 2023 are unsecured and not impaired, except for investments as disclosed in note 5.6.

## 22.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily cash redemptions, if any, at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per NBFC Regulations, 2008, the Fund can borrow in the short term to ensure settlement the maximum limit of which is fifteen percent of net assets up to 90 days and would be secured by the assets of the Fund.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year ended June 30, 2024.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	----- As at June 30, 2024 -----			
	Up to three months	Over three months and	Over one year	Total
	----- Rupees -----			
<b>Financial liabilities</b>				
Payable to JS Investments Limited - Management Company	22,711,538	-	-	22,711,538
Payable to Digital Custodian Company Limited - Trustee	251,462	-	-	251,462
Accrued expenses and other liabilities	944,209	-	-	944,209
Payable against purchase of investments	3,897,464	-	-	3,897,464
Dividend payable	3,097,956	-	-	3,097,956
	<u>30,902,629</u>	<u>-</u>	<u>-</u>	<u>30,902,629</u>

	----- As at June 30, 2023 -----			
	Up to three months	Over three months and	Over one year	Total
	----- Rupees -----			
<b>Financial liabilities</b>				
Payable to JS Investments Limited - Management Company	19,908,177	-	-	19,908,177
Payable to Digital Custodian Company Limited - Trustee	170,720	-	-	170,720
Accrued expenses and other liabilities	997,918	-	-	997,918
Dividend payable	1,443,069	-	-	1,443,069
	<u>22,519,884</u>	<u>-</u>	<u>-</u>	<u>22,519,884</u>

## 23 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to distributions and to payment of a proportionate share, based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown in the 'Statement of Movement in Unit Holders' Fund'.

The Fund's objectives when managing unit holder's funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to unit holders' and to maintain a strong base of assets to meet unexpected losses or opportunity management.

The Fund has no restrictions on the subscription and redemption of units. As required under the NBFC regulations, 2008, every open end scheme shall maintain fund size (i.e. net assets of the Fund) of Rs. 100 million at all times during the life of the scheme. The Fund has historically maintained and complied with the requirement of minimum fund size at all times.

In accordance with the risk management policies stated in note 22, the Fund endeavours to invest the subscriptions received in appropriate investments avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 24 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

## 25 FAIR VALUE HIERARCHY

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2024 and June 30, 2023, the Fund held the following financial instruments measured at fair value.

	2024			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	<b>Rupees</b>			
<b>Investments</b>				
Listed equity securities	1,115,429,664	-	-	1,115,429,664
Sukuk certificates / term finance certificates - listed	-	142,983,709	-	142,983,709
Pakistan Investments Bond	-	212,553,180	-	212,553,180
	<u>1,115,429,664</u>	<u>355,536,889</u>	<u>-</u>	<u>1,470,966,553</u>

	2023			
	Level 1	Level 2	Level 3	Total
<b>Financial assets 'at fair value through profit or loss'</b>	<b>Rupees</b>			
<b>Investments</b>				
Listed equity securities	582,091,311	-	-	582,091,311
Sukuk certificates / term finance certificates - listed	-	193,348,858	-	193,348,858
Market Treasury Bills	-	138,089,021	-	138,089,021
	<u>582,091,311</u>	<u>331,437,879</u>	<u>-</u>	<u>913,529,190</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 26 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

Details of the members of Investment Committee of the Fund are as follows:

S. No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	23	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	31	MBA
3	Mr. Syed Hussain Haider	Chief Investment Officer	22	CFA
4	Mr. Asim Ilyas	Head of Fixed Income	28	MAS
5	Mr. Syed Shabih Ul Hasnain	Vice President - Fund Manager	6	BBA

### 26.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Syed Shabih ul Hasnain	Fund Manager	Bachelors in Business Administration	JS Fund of Funds, JS Growth Fund, JS Large Cap. Fund, JS Islamic Fund, JS Pension Savings Funds and JS Islamic Pension Savings Funds, JS KPK Pension Fund, JS KPK Islamic Pension Fund and JS Momentum Factor ETF.

## 27 PATTERN OF UNIT HOLDING

Category	As at June 30, 2024			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	211	608,931	138,403,978	8.54%
Insurance Companies	1	4,183,076	950,771,398	58.67%
Retirement Funds	9	1,022,061	232,304,268	14.34%
Others	7	1,315,444	299,020,304	18.45%
	<u>228</u>	<u>7,129,512</u>	<u>1,620,499,949</u>	<u>100.00%</u>

Category	As at June 30, 2023			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Individuals	225	718,483	109,588,887	11.99%
Insurance Company	1	3,940,091	600,974,816	65.76%
Retirement Funds	9	955,461	145,734,705	15.95%
Others	7	377,230	57,538,196	6.30%
	<u>242</u>	<u>5,991,265</u>	<u>913,836,604</u>	<u>100.00%</u>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 28 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

Name of broker	2024	Name of broker	2023
	Percentage of commission paid		Percentage of commission paid
JS Global Capital Limited	14.26%	Multiline Securities (Pvt) Limited	17.26%
Topline Securities (Pvt) Limited	12.08%	Intermarket Securities (Pvt) Limited	15.13%
D.J.M Securities (Pvt) Limited	9.92%	JS Global Capital Limited	14.87%
Taurus Securities Limited	9.41%	Optimus Capital Management (Pvt) Limited	13.53%
Spectrum Securities Limited	9.16%	D.J.M Securities (Pvt) Limited	12.68%
Khadim Ali Shah Bukhari Securities Limited	8.54%	Topline Securities (Pvt) Limited	7.14%
Optimus Capital Management (Pvt) Limited	7.98%	Adam Securities Limited	6.24%
Intermarket Securities (Pvt) Limited	6.52%	Akik Capital (Pvt) Limited	3.84%
Multiline Securities (Pvt) Limited	4.93%	Habib Metropolitan Financial Services Limited	3.58%
Habib Metropolitan Financial Services Limited	4.74%	Spectrum Securities Limited	3.07%

## 29 MEETINGS OF BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 169th, 170th, 171st, 172nd, 173rd, and 174th meetings of the Board of Directors were held on August 4, 2023, August 18, 2023, October 20, 2023, December 28, 2023, February 20, 2024, and April 24, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name of Directors	Meetings attended	Meetings held on					
			August 04, 2023	August 18, 2024	October 20, 2023	December 28, 2023	February 20, 2024	April 24, 2024
1	Mr. Suleman Lalani	6	✓	✓	✓	✓	✓	✓
2	Ms. Iffat Zehra Mankani	6	✓	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	6	✓	✓	✓	✓	✓	✓
4	Ms. Aisha Fariel Salahuddin	2	✗	✗	✓	✓	✗	✗
5	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	✗	✓	✓	✗
6	Mr. Atif Salim Malik	5	✗	✓	✓	✓	✓	✓
7	Ms. Mediha Kamal Afsar	6	✓	✓	✓	✓	✓	✓
8	Mr. Farooq Ahmed Malik	5	✗	✓	✓	✓	✓	✓
			<b>5</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>6</b>

## 30 DISTRIBUTIONS DURING THE YEAR

	June 30, 2024			June 30, 2023		
	Rate per unit	Declaration date	Total distribution	Rate per unit	Declaration date	Total distribution
For the period ended June 30, 2024	16.50	June 27, 2024	100,168,061	-	-	-
For the period ended June 30, 2023	-	-	-	3.26	June 23, 2023	18,835,598
For the period ended June 30, 2023	-	-	-	3.79	June 27, 2023	22,246,622
			<b>100,168,061</b>			<b>41,082,220</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 31 GENERAL

31.1 Figures have been rounded off to the nearest rupee unless otherwise stated.

31.2 Corresponding figures have been reclassified and rearranged in these financial statements, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

## 32 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 20, 2024 by the Board of Directors of the Management Company.



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Chief Financial Officer



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Chief Executive Officer



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Director



## JS INVESTMENTS OFFICES

- **Head Office - Karachi**  
19th Floor, The Centre, Plot No. 28, SB-5,  
Abdullah Haroon Road, Saddar, Karachi.
- **Wealth Centre**  
Ground Floor, Plot No. 97-C, Main  
Khayaban-e-Shaheen, DHA Phase 8,  
Karachi
- **Regional Office - Lahore**  
Ground Floor, No. 25, Block 13, Plot No.1-4,  
Usman Block, New Garden Town, Lahore
- **Regional Office - Islamabad**  
Office No. 414, 4th Floor, PSX Building,  
Jinnah Avenue, Islamabad

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🌐 http://www.linkedin.com/company/js-investment-limited



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# Shaping Tomorrow's Solutions, Today!

JS MOMENTUM FACTOR EXCHANGE TRADED FUND

ANNUAL REPORT 2024



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# COMPANY INFORMATION

## Management Company

JS Investments Limited  
19th Floor, The Centre, Plot # 28,  
SB-5 Abdullah Haroon Road, Saddar,  
Karachi-75600  
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540  
E-mail: info@jsil.com  
Website: www.jsil.com

## Board of Directors

Mr. Suleman Lalani	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

## Chief Executive Officer

Ms. Iffat Zehra Mankani

## Chief Financial Officer

Mr. Raheel Rehman

## Chief Investment Officer

Mr. Syed Hussain Haider

## Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

## Statutory Auditors

A.F Ferguson & Co., Chartered Accountants

## Legal Advisors

Bawaney and Partners  
3rd & 4th Floor, 68-C, Lane-13  
Bokhari Commercial Area  
Phase-VI DHA, Karachi

## Audit Committee

Ms. Mediha Kamal Afsar (Chairperson)  
Mr. Hasan Shahid (Member)  
Mr. Mirza M. Sadeed H. Barlas (Member)

## Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Sharah-e-Faisal, Karachi-74400 Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326040

A futuristic cityscape at night, featuring a dense cluster of skyscrapers illuminated with warm lights. The scene is overlaid with vibrant, glowing orange light trails that swirl and curve across the foreground and middle ground. Several large, glowing orange spheres with rings around them float in the sky, resembling planets or advanced technology. The overall atmosphere is one of high-tech innovation and digital connectivity.

# Vision

To be the preferred choice of every investor, offering diverse and innovative investment solutions



# DIRECTORS' REPORT TO THE UNIT HOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

The Board of Directors of JS Investments Limited, the Management Company of **JS Momentum Factor Exchange Traded Fund** (the Fund), is pleased to present the Annual Report for the Period ended June 30, 2024.

## Economic Review:

The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards a path of relative stability in both political and economic spheres. The caretaker setup initially introduced a stabilization agenda that guided much of the year. Following this, a new government was formed post-Federal elections, providing a clearer direction for the country despite some initial uncertainties during the election process. This transition offered some reassurance, given the significant challenges the nation has faced in recent years. The macroeconomic framework under the IMF's Stand-By Agreement (SBA), which included a short-term US\$3 billion funding facility signed in June of the previous year and largely executed by the caretaker government, concluded at the end of April with a final disbursement of US\$1 billion.

Turning to the real economy, the robust growth of 6.5% in agriculture, encompassing all major crops and livestock, significantly boosted the provisional GDP growth for FY24 to 2.38%, surpassing the projections of the IMF (2%), ADB (1.9%), and The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards events during the period were the easing of monetary policy and the simultaneous tightening of fiscal policy, trends expected to continue into the next fiscal year. Observing how these policies will ultimately impact overall economic growth will be critical, especially as the industry has been under unprecedented pressure from a highly challenging business environment characterized by cost-push inflation and sluggish demand.

The Federal Budget for FY25 envisions a substantial 40% increase in FBR revenues, with the government projecting an inflation rate of 12% and a real GDP growth rate of 3.6%. According to the government's estimates presented in the budget, The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards 6.5%—is projected to decrease to 5.9% for FY25.

The external account experienced considerable strengthening, with SBP FX Reserves more than doubling from their lows at the end of June 2023 to reach US\$9.4 billion by the end of June 2024. The Pakistani rupee appreciated by 2.8%, closing at 278 against the US dollar. The current account deficit has decreased markedly to US\$ 464 million for the 11 months up The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards payments situation. Building on this, Pakistan's upcoming new and larger funding program with the IMF holds paramount importance, as it will significantly strengthen the country's fundamental macroeconomic pillars, particularly fiscal operations, while also providing essential support for managing external debt obligations.

## Equity Market Review:

The fiscal year 2024 marked a significant trend reversal in the local equity market, characterized by consistent sharp gains The fiscal year 2024 has been a period of significant transition for the country, moving from a precarious trajectory towards Arrangement (SBA) funding facility. The KSE-100 index surged by 89.2%, closing at 78,445. Similarly, other key equity indices, such as the KSE-30 Total Return Index and the KMI-30 Index, rose by 95.1% and 78.7%, respectively, by the end of June 2024. The notable performance disparity between the conventional indices (KSE-100 and KSE-30) and the Shari-ah-compliant index (KMI-30) reflects the sharp gains in commercial banking stocks, which significantly outperformed the broader indices and accounted for the majority of the market gains during this period.

Foreign investors and local insurance companies emerged as the most significant net buyers in the equity market during the year, purchasing equities worth US\$157 million and US\$127 million, respectively. In contrast, banks/DFIs and individual investors were the major net sellers, offloading US\$150 million and US\$60 million worth of equities, respectively.

While the year 2024 saw a generally robust performance of global equity markets, the gains were uneven across regions due to a combination of local economic conditions, central bank policies, and geopolitical factors. Key themes included optimism around AI and technology, expectations of peaking interest rates, and slower-than-expected growth in China, while improving economic fundamentals in other select countries.

## Review of Fund Performance

The Fund return was 132.31% for the year ended June 30, 2024, against the benchmark return of 126.37%. The Fund's Net Assets increased from PKR 80.41 million as at June 30, 2023, to PKR 215.31 million as at June 30, 2024. The total expense ratio is 3.06%, which includes 0.56% of government levies on the Fund.

## Non Adjusting Events after the balance sheet date

The Board of Directors of the Management Company in a meeting held on July 30, 2024 and August 20, 2024 approved a final cash distribution of Rs. 5.36 and Rs. 5.00 per unit on the par value of Rs. 10 each (i.e 53.60% % 50.00%) for the year ended June 30, 2024. The Fund return was 132.31% for the year ended June 30, 2024 against the benchmark return of 126.37%. The Fund's this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2025.

## Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained our Management Company's asset manager rating of 'AM2+' with a 'stable outlook'. This rating underscores our dedication to maintaining high-quality management standards and reflects positively on the overall performance and outlook of our operations.

## Auditors

The external auditors of the Fund, M/s. A.F Ferguson & Co. Chartered Accountants, retired and, being eligible, offered themselves for reappointment. The Board of Directors, upon recommendation of the Audit Committee of the Board, has approved the reappointment of M/s. A.F Ferguson & Co. Chartered Accountants for the year ending June 30, 2025. The Fund return was 132.31% for the year ended June 30, 2024 against the benchmark return of 126.37%. The Fund's ending June 30, 2025.

## Additional Matters

- Annexed to the Annual Report is the Fund Manager's Report, providing a description of principal risks and uncertainties along with a reasonable indication of future profit prospects.
- The Pattern of Unit holding as of June 30, 2024, is annexed to this annual report.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- A performance table/key financial data is annexed to this annual report.

## Acknowledgment

The directors express their gratitude to the Securities and Exchange Commission of Pakistan and Central Depository Company of Pakistan Limited for their valuable support, assistance and guidance. The Board also thanks the employees of the Fund. The Fund return was 132.31% for the year ended June 30, 2024 against the benchmark return of 126.37%. The Fund's management.



**Chief Executive Officer**



**Director**

Karachi: August 20, 2024

## شراکت داروں کے لیے ڈائریکٹرز رپورٹ

جے ایس انویسٹمنٹس لمیٹڈ کے بورڈ آف ڈائریکٹرز، موہنپٹنم فیکٹری کچھن ٹریڈ فنڈ ( دی فنڈ ) کی منجمنٹ کمپنی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معاشی جائزہ

مالی سال 2024 ملک کے لیے اہم تبدیلی کا دور رہا ہے، جو ایک غیر یقینی راستے سے سیاسی اور معاشی دونوں شعبوں میں نسبتاً استحکام کی راہ پر گامزن ہے۔ نگران سیٹ اپ نے ابتدائی طور پر استحکام کا ایجنڈا متعارف کرایا جس نے سال کے زیادہ تر حصے کے رہنمائی کی۔ اس کے بعد، وفاقی انتخابات کے بعد ایک نئی حکومت تشکیل دی گئی، جس نے انتخابی عمل کے دوران کچھ ابتدائی غیر یقینی صورتحال کے باوجود ملک کو ایک واضح سمت فراہم کی۔ حالیہ برسوں میں قوم کو دو درپیش اہم چیلنجوں کے پیش نظر اس تبدیلی نے کچھ یقین دہانی کرائی ہے۔ آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ ( SBA ) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی اور جس پر نگران حکومت نے بڑے پیمانے پر عمل درآمد کیا تھا، 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF ( 2 فیصد )، ایشیائی ترقیاتی بینک ( 1.9 فیصد ) اور عالمی بینک ( 1.8 فیصد ) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی لچک کی نشاندہی ہوتی ہے۔ اس پس منظر میں، اس مدت کے دوران زری پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ یہ دیکھنا کہ یہ پالیسیاں بالآخر مجموعی معاشی ترقی کو کس طرح متاثر کریں گی، اہم ہوں گا، خاص طور پر جب صنعت کو انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراط زر اور درست طلب سے موصوم ہے۔

مالی سال 2025 کے وفاقی بجٹ میں ایف بی آر ( FBR ) کے محصولات میں 40 فیصد اضافے کا تخمینہ لگایا گیا ہے، حکومت نے افراط زر کی شرح 12 فیصد اور حقیقی جی ڈی پی ( GDP ) کی شرح نمو 3.6 فیصد پیش کی ہے۔ بجٹ میں پیش کی گئی حکومتی تخمینوں کے مطابق مالی خسارہ رواں مالی سال میں 7.4 فیصد رہنے کا امکان ہے جو گزشتہ سال کے بعد 6.5 فیصد کے بجٹ برف سے نظر ثانی شدہ۔ مالی سال 2025 کے لیے کم ہو کر 5.9 فیصد رہ جائے گا۔

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے وگنا ہو کر جون 2024 کے اختتام پر 9.4 بلین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مئی 2024 تک 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ نمایاں طور پر کم ہو کر 464 بلین امریکی ڈالر رہ گیا ہے جو گزشتہ سال کے اسی مدت کے دوران 3.76 بلین امریکی ڈالر تھا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف ( IMF ) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

### ایکیویٹی مارکیٹ کا جائزہ

مالی سال 2024 میں مقامی ایکویٹی مارکیٹ میں ایک اہم رجحان میں تبدیلی کی نشاندہی کی، جو اس مدت میں مسلسل تیز اضافے سے موصوم ہے۔ اس تیز ریلی کا آغاز سال کی شروعات میں آئی ایم ایف کی اسٹینڈ بائی آرٹیکل ( ایس بی اے ) فنڈنگ فیصلیٹی پر دستخط کے بعد ہوا تھا۔ KSE - 100 انڈیکس 89.2 فیصد اضافے سے 78,445 پر بند ہوا۔ اسی طرح دیگر اہم ایکویٹی انڈیکس جیسے KSE - 30 ٹوٹل ریٹرن انڈیکس اور KMI - 30 انڈیکس میں جون 2024 کے اختتام تک بالترتیب 95.1 فیصد اور 78.7 فیصد اضافہ ہوا۔ روایتی انڈیکس ( KSE - 100 اور KSE - 30 ) اور شریعہ کھلائی انڈیکس ( KMI - 30 ) کے درمیان کارکردگی میں نمایاں فرق کمرشل بینکنگ حصص میں تیز اضافے کی عکاسی کرتا ہے، جس نے وسیع تر اشاریوں سے نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا اور اس مدت کے دوران مارکیٹ میں زیادہ تر اضافے کا سبب بنے۔

اس مدت کے دوران ایکویٹی مارکیٹ میں غیر ملکی سرمایہ کار اور مقامی انشورنس کمپنیاں سب سے اہم خریدار کے طور پر ابھر کر سامنے آئے، انہوں نے بالترتیب 157 بلین امریکی ڈالر اور 127 بلین امریکی ڈالر کی ایکویٹی خریدی۔ اس کے برعکس بینکوں / ڈی ایف آئی اور انفرادی سرمایہ کار بڑے فروخت کنندگان تھے، جنہوں نے بالترتیب 150 بلین امریکی ڈالر اور 60 بلین امریکی ڈالر مالیت کی ایکویٹی فروخت کیں۔

اگرچہ سال 2024 میں عالمی ایکویٹی مارکیٹوں کی عمومی طور پر مضبوط کارکردگی دیکھی گئی، لیکن مقامی معاشی حالات، مرکزی بینک کی پالیسیوں اور جغرافیائی سیاسی عوامل کے امتزاج کے سبب

خطوں میں فوائد غیر مساوی تھے۔ کلیدی موضوعات میں مصنوعی ذہانت اور ٹیکنالوجی کے بارے میں امید، شرح سود میں اضافے کی توقعات، اور چین میں توقع سے سست ترقی شامل ہیں، جبکہ دیگر منتخب ممالک میں معاشی بنیادوں کو بہتر بنانا شامل ہے۔

## فنڈ کی کارکردگی کا جائزہ

30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کا منافع 126.37 فیصد اپنے بیچ مارک منافع کے مقابلے میں 132.31 فیصد رہا۔ 30 جون 2024 کو خالص اثاثہ جات 30 جون 2023 کے 80.41 ملین روپے سے 215.31 ملین روپے پر پہنچ گئے۔ کل اخراجات کا تناسب 3.06 فیصد ہے، جس میں فنڈ پر حکومتی محصولات کا 0.56 فیصد شامل ہے۔

## بیلنس شیٹ کی تاریخ کے بعد نان ایڈجسٹنگ واقعات

بینجمنٹ کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جولائی 2024 اور 20 اگست 2024 کو منعقدہ اجلاس میں 30 جون 2024 کو ختم ہونے والے سال کے لیے 5.36 روپے اور 5.00 روپے فی یونٹ کی حتمی نقد تقسیم کی منظوری دی گئی جس کی قیمت 10 روپے (یعنی 53.60 فیصد 50.00 فیصد) ہوگی۔ 30 جون 2024 کو ختم ہونے والے سال کے لیے فنڈ کے مالی گوشواروں میں اس تقسیم کے اثرات شامل نہیں ہیں جس کا حساب 30 جون 2025 کو اختتام پانے والے سال کے لیے فنڈ کے مالی گوشواروں میں رکھا جائے گا۔

## ایسیٹ مینجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری بینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجر ریٹنگ کو "مشکم" منظر نامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظر نامے پر مثبت عکاسی کرتی ہے۔

## آڈیٹرز

ریٹائر ہونے والے بیرونی آڈیٹرز میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی تجویز پر، میسرز اے ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کی 30 جون 2025 کو ختم ہونے والے سال کے لیے تقرری کی منظوری دی۔

## اضافی معاملات

- ا۔ سالانہ رپورٹ کے ساتھ فنڈ مینجر رپورٹ منسلک ہے جس میں مرکزی خطرات اور منافع جات کے مستقبل کے امکانات کی مناسب علامت کے ساتھ ہجان کی کیفیت کی وضاحت کی ہے۔
- ب۔ 30 جون 2024 تک یونٹ ہولڈنگ کے نمونہ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔
- ج۔ اندرونی کنٹرول کا نظام ساخت کے اعتبار سے مضبوط ہے اور اس پر موثر اطلاق اور نگرانی کی جاتی ہے۔
- د۔ کارکردگی کا ٹیبیل / اہم مالیاتی معلومات اس سالانہ رپورٹ کے ضمیمہ میں دی گئی ہیں۔

## اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDCPL) سے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر بینجمنٹ کمپنی کے ملازمین اور انتظامیہ پر اعتماد پر یونٹ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

کراچی: 20 اگست 2024

# FUND MANAGER REPORT

Annual Report 2024

- **Description of the Collective Investment Scheme category and type**  
Exchange Traded Fund

- **Statement of Collective Investment Scheme's investment objective**

The Fund shall invest in a particular basket of equity securities with a view to track the performance of the Benchmark index. The Benchmark Index is called "JS Momentum Factor Index" and shall be constituted by Management Company and periodically maintained by the Pakistan Stock Exchange.

- **Explanation as to whether the Collective Investment Scheme has achieved its stated objective**

The collective investment scheme achieved its stated objective.

- **Statement of benchmark(s) relevant to the Collective Investment Scheme**

JS Momentum Factor Index

- **Comparison of the Collective Investment Scheme's performance during the period compared with the said benchmarks**

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY24
JSMFETF	19.14%	-9.05%	-0.98%	23.20%	19.34%	7.50%	-7.45%	10.70%	4.85%	19.48%	5.81%	0.88%	132.31%
Benchmark	21.08%	-10.37%	-0.85%	21.61%	22.31%	2.10%	-8.89%	11.59%	5.10%	20.91%	6.27%	0.91%	126.37%
Diff.	-1.94%	1.32%	-0.13%	1.60%	-2.97%	5.40%	1.44%	-0.89%	-0.25%	-1.43%	-0.46%	-0.04%	5.94%

- **Description of the strategies and policies employed during the period under review in relation to the Collective Investment Scheme's performance**

While being a Smart Beta ETF, the fund tracks the underlying custom index called the JS Momentum Factor Index (JSMFI) and the portfolio is rebalanced on a monthly basis.

- **Disclosure of the Collective Investment Scheme's asset allocation as at the date of the report and particulars of significant changes in asset allocation since the last report (if applicable)**

	Jun-24	Jun-23
Cash	30.57%	5.62%
Equity	68.91%	92.23%
Other including receivables	0.52%	2.15%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

- **Analysis of the Collective Investment Scheme's performance**

	Fund
Largest Month Gain	23.2%
Largest Month Loss	-11.1%
% Positive Months	60.0%
Standard Deviation	31.7%
Expense Ratio**	3.1%

Unless otherwise specified, all data is presented on a since-inception basis.

\*\* This includes 0.56% Government levy & SECP fee; 0.00% Selling & marketing expenses.

- **Based on changes in total NAV and NAV per unit since the last review period or since commencement (in the case of newly established Collective Investment Scheme)**

	Net Assets Excluding JSIL FoFs (PKR mn)	NAV per Unit (PKR)
30-Jun-24	27	19.26
30-Jun-23	6	8.29

# FUND MANAGER REPORT

Annual Report 2024

- Disclosure of the markets that the Collective Investment Scheme has invested in:**

JS Momentum Factor Exchange Traded Fund invests in equity securities listed on the Pakistan Stock Exchange (PSX).

- Disclosure on distribution (if any), comprising:-**

- Particulars of income distribution or other forms of distribution made and proposed during the period; and
- Statement on effects on the NAV before and after distribution is made

## Distribution

NIL

### NAV per unit as on June 30, 2024

Cum NAV (PKR)	19.26
Ex-NAV (PKR)	19.26

- Description and explanation of any significant changes in the state of affairs of the Collective Investment Scheme during the period and up till the date of the manager's report, not otherwise disclosed in the financial statements**

There were no significant changes in the state of affairs during the year under review.

- Breakdown of unit holdings by size**

Fund Name	Ranges			Number of Folios
JS Momentum Factor Exchange Traded Fund	0.0001	to	9,999.9999	-
	10,000.0000	to	49,999.9999	-
	50,000.0000	to	99,999.9999	-
	100,000.0000	to	499,999.9999	-
	500,000.0000	&	above	1
			<b>Total</b>	<b>1</b>

- Disclosure on unit split (if any), comprising:-**

The Fund has not carried out any unit split exercise during the year.

- Disclosure of circumstances that materially affect any interests of the unit holders**

Investment is subject to market risk.

- Disclosure if the Asset Management Company or its delegate, if any, receives any soft commission (i.e. goods and services) from its broker(s) or dealer(s) by virtue of transactions conducted by the Collective Investment Scheme, disclosure of the following:-**

The Management Company and / or any of its delegates have not received any soft commission from its brokers / dealers by virtue of transactions conducted by the Fund.

# PERFORMANCE TABLE

		30-Jun-24	30-Jun-23	For the period from January 07, 2022 to June 30, 2022
Net assets - Rupees in "million"		215.31	80.41	22.17
Net income / (loss) - Rupees in "million"		122.63	9.96	(1.63)
Total return of the Fund (Since inception) *	%	132.31	(11.02)	-6.84
Dividend distribution	%	124.97	-	0
Capital Growth *	%	7.34	(11.02)	-6.84
Average annual return				
- One Year (Annualized)	%	132.31	(11.02)	5.27
- Two Years	%	60.65	(8.93)	n/a
- Three Years	%	42.19	n/a	n/a
NAV per unit	Rs.	19.26	8.29	9.32
Highest offer price per unit	Rs.	20.90	10.03	10.09
Lowest offer price per unit	Rs.	8.29	7.35	7.73
Year-end offer price per unit	Rs.	19.26	8.29	9.32
Highest repurchase price per unit	Rs.	20.90	10.03	10.09
Lowest repurchase price per unit	Rs.	8.29	7.35	7.73
Year-end repurchase price per unit	Rs.	19.26	8.29	9.32
Interim distribution (Daily)	Rs.	-	-	-
Final distribution	Rs.	10.36	-	-
Total distribution as % of par value	Rs.	124.97	-	-

## **Notes**

- JS Momentum Factor - Exchange Traded Fund was launched on January 07, 2022.
- Investment portfolio composition of the Fund is disclosed in note 5 of the financial statements.
- The income distribution have been shown against The year to which they relate although these were declared & distributed subsequently to the year end.

## **Disclaimer**

- Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.

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## TRUSTEE REPORT TO THE UNIT HOLDERS

### JS MOMENTUM FACTOR EXCHANGE TRADED FUND

#### Report of the Trustee pursuant to Regulation 41(h) and Clause 8 of Schedule V of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of JS Momentum Factor Exchange Traded Fund (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the year ended June 30, 2024 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund;
- (iii) The management fee, fee payable to Securities & Exchange Commission of Pakistan and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

  
**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, September 24, 2024



## INDEPENDENT AUDITOR'S REPORT

### To the Unit Holders of JS Momentum Factor Exchange Traded Fund

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of JS Momentum Factor Exchange Traded Fund (the Fund), which comprise the statement of assets and liabilities as at June 30, 2024, and the income statement, statement of comprehensive income, statement of movement in unit holders' fund and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at June 30, 2024, and of its financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key Audit Matter	How the matter was addressed in our audit
1	<b>Net Asset Value</b> (Refer notes 4 and 5 to the financial statements)	
	<p>Investments and bank balances constitute the most significant component of the net asset value. Investments of the Fund as at June 30, 2024 amounted to Rs. 207.76 million and bank balances aggregated to Rs. 92.05 million.</p> <p>The existence and proper valuation of investments and existence of bank balances for the determination of NAV of the Fund as at June 30, 2024 was considered a high risk area and therefore we considered this as a key audit matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>obtained independent confirmations for verifying the existence of the investment portfolio and bank balances as at June 30, 2024 and traced it with the books and records of the Fund. Where such confirmations were not available, alternate audit procedures were performed;</li> <li>re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies; and</li> <li>obtained bank reconciliation statements and tested reconciling items on a sample basis.</li> </ul>

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**Other Matter**

The financial statements of the Fund for the year ended June 30, 2023 were audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon vide their report dated September 28, 2023.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors of the Management Company for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting standards as applicable in Pakistan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Board of Directors of the Management Company is responsible for overseeing the Fund's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors of the Management Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors of the Management Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Board of Directors of the Management Company, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion the financial statements have been prepared in all material respects in accordance with the relevant provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.

The engagement partner on the audit resulting in this independent auditor's report is **Noman Abbas Sheikh**.

A. F. Ferguson & Co.

Chartered Accountants

Dated: September 27, 2024

Karachi

UDIN: AR202410061Bkayz84UW



**Financial Position**  
& Performance

# STATEMENT OF ASSETS AND LIABILITIES

AS AT JUNE 30, 2024

		2024	2023
	<b>Note</b>	----- Rupees -----	
<b>Assets</b>			
Bank balances	4	92,047,153	40,767,918
Investments	5	207,755,984	74,741,429
Profit receivable		-	24,619
Advances, deposits and other receivables	6	1,481,658	1,718,393
<b>Total assets</b>		<b>301,284,795</b>	<b>117,252,359</b>
<b>Liabilities</b>			
Payable to JS Investments Limited - Management Company	7	159,658	188,741
Payable to Central Depository Company of Pakistan Limited - Trustee	8	18,422	3,751
Payable to the Securities and Exchange Commission of Pakistan (SECP)	9	8,011	7,822
Payable against purchase of investments		85,176,672	36,214,677
Accrued expenses and other liabilities	10	612,751	425,026
<b>Total liabilities</b>		<b>85,975,514</b>	<b>36,840,017</b>
<b>Net assets</b>		<b>215,309,281</b>	<b>80,412,342</b>
<b>Unit holders' fund (as per statement attached)</b>		<b>215,309,281</b>	<b>80,412,342</b>
<b>Contingencies and commitments</b>	11		
		----- Number of units -----	
<b>Number of units in issue</b>		<b>11,180,000</b>	<b>9,700,000</b>
		----- Rupees -----	
<b>Net asset value per unit</b>		<b>19.26</b>	<b>8.29</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**INCOME STATEMENT** >  
FOR THE YEAR ENDED JUNE 30, 2024

		2024	2023
	Note	----- Rupees -----	
<b>Income</b>			
Profit on savings accounts		814,370	239,115
Dividend income		5,100,124	6,509,257
Others Income		2,068,403	570,243
Gain / (loss) on sale of investments - net		47,778,903	(9,203,274)
Net unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss'	5.2	9,757,556	1,253,600
<b>Total income / (loss)</b>		<b>65,519,356</b>	<b>(631,059)</b>
<b>Expenses</b>			
Remuneration to JS Investment Limited			
- Management Company	7.1	-	69,635
Sindh Sales Tax on remuneration of the Management Company	7.2	-	9,053
Remuneration of Central Depository Company of Pakistan Limited			
- Trustee	8.1	66,957	39,240
Sindh Sales Tax on remuneration of the Trustee	8.2	8,704	5,101
Fee to the Securities and Exchange Commission of Pakistan (SECP)	9.1	62,738	7,848
Registrar fee		135,600	135,600
Listing fee		89,685	8,250
Auditors' remuneration	12	902,400	563,868
Printing and stationery charges		101,468	101,468
Legal and professional fees		-	21,600
CDC settlement charges		49,824	33,635
Securities transaction cost		1,964,269	710,716
<b>Total expenses</b>		<b>3,381,645</b>	<b>1,706,014</b>
<b>Net income / (loss) from operating activities for the year</b>		<b>62,137,711</b>	<b>(2,337,073)</b>
Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed - net		60,490,176	(7,618,602)
<b>Net income / (loss) for the year before taxation</b>		<b>122,627,887</b>	<b>(9,955,675)</b>
Taxation	15	-	-
<b>Net income / (loss) for the year after taxation</b>		<b>122,627,887</b>	<b>(9,955,675)</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**STATEMENT OF COMPREHENSIVE INCOME** >  
 FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- Rupees -----	
<b>Net income / (loss) for the year after taxation</b>	122,627,887	(9,955,675)
Other comprehensive income for the year	-	-
<b>Total comprehensive income / (loss) for the year</b>	<b>122,627,887</b>	<b>(9,955,675)</b>

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**STATEMENT OF CASH FLOW** >  
FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income / (loss) for the year before taxation	122,627,887	(9,955,675)
<b>Adjustments for:</b>		
Net unrealised appreciation on remeasurement of investments classified as financial assets at fair value through profit or loss' 5.2	(9,757,556)	(1,253,600)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(60,490,176)	7,618,602
(Gain) / loss on sale of investments - net	(47,778,903)	9,203,274
	(118,026,635)	15,568,276
<b>(Increase) / decrease in assets</b>		
Investments - net	(75,478,096)	(60,646,843)
Advances, deposits and other receivables	236,735	(1,362,551)
Profit receivable	24,619	(14,556)
	(75,216,742)	(62,023,950)
<b>Increase / (decrease) in liabilities</b>		
Payable to JS Investments Limited - Management Company	(29,083)	70,762
Payable to Central Depository Company of Pakistan Limited - Trustee	14,671	2,156
Payable to the Securities and Exchange Commission of Pakistan (SECP)	189	3,367
Payable against purchase of investments	48,961,995	35,739,982
Accrued expenses and other liabilities	187,725	53,988
	49,135,497	35,870,255
<b>Net cash used in operating activities</b>	(21,479,993)	(20,541,094)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipts against issuance of units	365,401,307	139,658,366
Payments against redemption of units	(292,642,079)	(79,081,652)
<b>Net cash generated from financing activities</b>	72,759,228	60,576,714
<b>Net increase in cash and cash equivalents during the year</b>	51,279,235	40,035,620
Cash and cash equivalents at the beginning of the year	40,767,918	732,298
<b>Cash and cash equivalents at end of the year</b> 4	92,047,153	40,767,918

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND >

FOR THE YEAR ENDED JUNE 30, 2024

	2024			2023		
	Capital value	(Accumulated loss) / Undistributed income	Total	Capital value	Accumulated loss	Total
	(Rupees)			(Rupees)		
Net assets at the beginning of the year	91,995,316	(11,582,974)	80,412,342	23,800,000	(1,627,299)	22,172,701
Issuance of 25,620,000 (2023:16,510,000) units						
- Capital value (at net asset value per unit at the beginning of the year)	212,387,238	-	212,387,238	153,812,113	-	153,812,113
- Element of income / (loss)	153,014,069	-	153,014,069	(14,153,747)	-	(14,153,747)
Total proceeds on issuance of units	365,401,307	-	365,401,307	139,658,366	-	139,658,366
Redemption of 24,140,000 (2023: 9,190,000) units						
- Capital value (at net asset value per unit at the beginning of the year)	(200,118,186)	-	(200,118,186)	(85,616,797)	-	(85,616,797)
- Element of (loss) / income	(92,523,893)	-	(92,523,893)	6,535,145	-	6,535,145
Total payments on redemption of units	(292,642,079)	-	(292,642,079)	(79,081,652)	-	(79,081,652)
Element of (income) / loss and capital (gains) / losses included in prices of units issued less those in units redeemed - net	(60,490,176)	-	(60,490,176)	7,618,602	-	7,618,602
Total comprehensive income / (loss) for the year	-	122,627,887	122,627,887	-	(9,955,675)	(9,955,675)
<b>Net assets at end of the year</b>	<b>104,264,368</b>	<b>111,044,913</b>	<b>215,309,281</b>	<b>91,995,316</b>	<b>(11,582,974)</b>	<b>80,412,342</b>

## Accumulated loss brought forward

- Realised loss	(12,836,574)	(1,818,842)
- Unrealised income	1,253,600	191,543
	(11,582,974)	(1,627,299)

Net income / (loss) for the year after taxation 122,627,887 (9,955,675)

Undistributed income / (accumulated loss) carried forward 111,044,913 (11,582,974)

## Undistributed income / (accumulated loss) carried forward

- Realised income / (loss)	101,287,357	(12,836,574)
- Unrealised income	9,757,556	1,253,600
	<u>111,044,913</u>	<u>(11,582,974)</u>

(Rupees)

(Rupees)

Net asset value per unit at beginning of the year 8.29 9.32

Net asset value per unit at end of the year 19.26 8.29

The annexed notes from 1 to 28 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 1 LEGAL STATUS AND NATURE OF BUSINESS

**1.1** JS Momentum Factor Exchange Traded Fund (the Fund) is an open ended mutual fund constituted under a Trust Deed entered between JS Investments Limited as the Management Company and Central Depository Company of Pakistan Limited (CDC) as the Trustee. The Trust Deed was executed on October 05, 2021 and was approved by the Securities and Exchange Commission of Pakistan (SECP) on October 25, 2021. The Fund commenced its operations from January 7, 2022.

The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the Securities and Exchange Commission of Pakistan (SECP). The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.

**1.2** The Fund has been categorised as an open ended exchange traded mutual fund that aims to provide investors an opportunity to track the performance of JS Momentum Factor Index that has been constituted and is maintained by the Management Company and comprises of 10 equity securities selected based on free float market capitalization & traded value filter (CF).

**1.3** The Fund is a hybrid fund having features of both open ended and close ended funds. A new concept of Authorised Participants (APs) has been introduced who will act as market makers. The Management Company will only have contact with the APs for issuance and redemption of units. The units of the Fund are tradeable in the Pakistan Stock Exchange Limited (PSX). The APs to whom the units are issued may either keep the units with themselves or trade in the PSX. Consequently, upon trading, the holders of the units keep on changing. Moreover, on issuance and redemption of units, the basket of shares will be exchanged between APs and Management Company and cash will be paid / received if there is a difference in the market value of shares and net asset value.

**1.4** Pakistan Credit Rating Agency Limited (PACRA) has maintained an asset manager rating of 'AM2+' with 'stable outlook' dated December 27, 2023 (2023: 'AM2+' with 'stable outlook' dated December 27, 2022) to the Management Company.

**1.5** Title to the assets of the Fund are held in the name of Central Depository Company of Pakistan Limited as the Trustee of the Fund.

## 2 BASIS OF PREPARATION

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and
- Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

## 2.2 Standards, interpretations and amendments to published accounting and reporting standards that are yet effective in the current year

During the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Fund which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS 1 have been introduced to help entities improve accounting policy disclosures so that these provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies. There are certain other amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements and therefore, have not been disclosed in these financial statements.

## 2.3 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective

The new standard - IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18) (published in April 2024) with applicability date of January 1, 2027 by IASB. IFRS 18 is yet to be applicable in Pakistan. IFRS 18 when adopted and applicable shall impact the presentation of 'Income Statement' with certain additional disclosures in the financial statements.

Amendments to IFRS 9 'Financial Instruments' which clarify the date of recognition and derecognition of a financial asset or financial liability including settlement of liabilities through banking instruments and channels including electronic transfers. The amendment when applied may impact the timing of recognition and derecognition of financial liabilities.

There are certain new standards and amendments to the published accounting and reporting standards that will be applicable to the Fund for its annual periods beginning on or after July 1, 2024. However, these are not considered to be relevant or did not have any material effect on the Fund's financial statements.

## 2.4 Critical accounting estimates and judgments

The preparation of financial statements in accordance with the accounting and reporting standards as applicable in Pakistan requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, judgments and associated assumptions are based on historical experience and various other factors including expectations of future events that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

The estimates and judgments that have a significant effect on the financial statements for the Fund relate to classification and valuation of financial assets (notes 3.2 and 5).

## 2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for certain investments which have been classified as 'at fair value through profit or loss' category which are stated at fair value.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 2.6 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Fund operates. These financial statements are presented in Pakistan Rupee, which is the Fund's functional and presentation currency.

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below. These which have been classified as 'at fair value through profit or loss' and are measured at fair values

### 3.1 Cash and cash equivalents

These comprise balances with banks in savings and current accounts and other short-term highly liquid investments with original maturities of three months or less.

### 3.2 Financial assets

#### 3.2.1 Initial recognition and measurement

Financial assets are recognised at the time the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair value plus transaction costs except for financial assets carried 'at fair value through profit or loss'. Financial assets carried 'at fair value through profit or loss' are initially recognised at fair value and transaction costs are recognised in the "Income Statement".

#### 3.2.2 Classification and subsequent measurement

##### 3.2.2.1 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective and are instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All equity investments are required to be measured in the "Statement of Assets and Liabilities" at fair value, with gains and losses recognised in the "Income Statement", except where an irrevocable election has been made at the time of initial recognition to measure the investment at FVOCI. The management considers its investment in equity securities being managed as a group of assets and hence has classified them as FVPL. Accordingly, the irrevocable option has not been considered.

The dividend income for equity securities classified under FVPL is recognised in the Income Statement.

Since all investments in equity instruments have been designated as FVPL, the subsequent movement in the fair value of equity securities is routed through the Income Statement.

##### 3.2.3 Regular way contracts

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Fund commits to purchase or sell the asset. Regular way purchases / sales of assets require delivery of securities within two days from the transaction date as per the Pakistan Stock Exchange Regulations.

##### 3.2.4 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership. Any gain or loss on derecognition of financial assets is taken to the "Income Statement".

### **3.3 Financial liabilities**

#### **3.3.1 Classification and subsequent measurement**

Financial liabilities are recognised at the time when the Fund becomes a party to the contractual provisions of the instruments. These are initially recognised at fair values and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gain or loss arising on derecognition of financial liabilities is taken to the Income Statement.

#### **3.4 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the "Statement of Assets and Liabilities" when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **3.5 Provisions**

Provisions are recognised when the Fund has a present, legal or constructive, obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions, if any, are regularly reviewed and adjusted to reflect the current best estimate.

### **3.6 Taxation**

#### **Current**

Provision for current taxation is based on taxable income at the current rates of taxes after taking into account tax credits and rebates, if any. The charge for current tax is calculated using the prevailing tax rates.

The income of the Fund is exempt from income tax under clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90 percent of its accounting income for the year, as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders. Furthermore, for the purpose of determining distribution of at least 90 percent of the accounting income, the income distributed through bonus units shall not be taken into account.

The Fund is also exempt from the provisions of section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

#### **Deferred**

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

The deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on enacted tax rates.

### **3.7 Net asset value per unit**

The Net Asset Value (NAV) per unit, as disclosed in the "Statement of Assets and Liabilities", is calculated by dividing the net assets of the Fund by the number of units in circulation at the year end.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 3.8 Issue and redemption of units

Units issued are recorded at the offer price, determined by the Management Company for the applications received by the Management Company / the distributors during business hours on that day. The offer price represents the Net Asset Value (NAV) per unit as of the close of the business day, plus the allowable sales load and provision of any duties and charges if applicable. The sales load is payable to the Management Company / distributors.

Units redeemed are recorded at the redemption price applicable to units for which the Management Company / distributors receive redemption applications during business hours of that day. The redemption price is equal to Net Asset Value (NAV) as of the close of the business day, less an amount as the Management Company may consider to be an appropriate provision of duties and charges.

## 3.9 Distributions to unit holders

Distributions to the unit holders are recognised upon declaration and approval by the Board of Directors of the Management Company. Based on the Mutual Funds Association of Pakistan's (MUFAP) guidelines duly consented by the SECP, distribution for the year also includes portion of income already paid on units redeemed during the year.

Distributions declared subsequent to the year end reporting date are considered as non-adjusting events and are recognised in the financial statements of the year in which such distributions are declared and approved by the Board of Directors of the Management Company.

## 3.10 Element of income / (loss) and capital gains / (losses) included in prices of units issued less those in units redeemed

Element of income represents the difference between Net Asset Value (NAV) per unit on the issuance or redemption date, as the case may be, of units and the NAV per unit at the beginning of the relevant accounting period.

As clarified by the SECP vide its letter: no. SCD/AMCW/ETF/240/2020 dated March 2, 2020, element of income in case of Exchange Traded Funds shall be taken to Income Statement both at the time of issuance and redemption of Units to the extent it pertains to the Income Statement.

## 3.11 Revenue recognition

- Gains / (losses) arising on sale of investments are included in the Income Statement and are recognised when the transaction takes place.
- Unrealised appreciation / (diminution) arising on remeasurement of investments classified as financial assets 'at fair value through profit or loss' are included in the Income Statement in the year in which they arise.
- Dividend income is recognised when the Fund's right to receive the same is established, i.e. on the commencement of book closure of the investee company / institution declaring the dividend; and
- Profit on bank balances is recognised on an accrual basis.

## 3.12 Expenses

All expenses chargeable to the Fund including remuneration of the Management Company and Trustee and annual fee to the SECP are recognised in the "Income Statement" on an accrual basis.

## 3.13 Earnings per unit

Earnings per unit is calculated by dividing the net income for the period after taxation of the Fund by the weighted average number of units outstanding during the year.

Earnings per unit (EPU) has not been disclosed as, in the opinion of the management, the determination of cumulative weighted average number of outstanding units for calculating EPU is not practicable.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

4	BANK BALANCES	Note	2024	2023
			(Rupees)	
	In savings accounts	4.1	92,047,153	40,767,918

4.1 This represents balance maintained with JS Bank Limited (related party) in savings account and carry profit rate at the rate of 20.82% (June 2023: 19.60%) per annum.

5	INVESTMENTS	Note	2024	2023
			(Rupees)	
	<b>At fair value through profit or loss:</b>			
	Listed equity securities	5.1	207,755,984	74,741,429

## 5.1 Listed equity securities - at fair value through profit or loss

Fully paid up ordinary shares have a face value of Rs. 10 each unless stated otherwise

Name of the Investee Company	As at July 01, 2023	Purchased during the year	Sold / disposed during the year	As at June 30, 2024	As at June 30, 2024			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
					Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
<b>AUTOMOBILE ASSEMBLER</b>										
Honda Atlas Cars (Pakistan) Limited	-	94,987	94,987	-	-	-	-	-	-	-
Sazgar Engineering Works Limited	-	101,798	48,134	53,664	37,835,997	44,673,134	6,837,137	20.75%	21.50%	0.09%
Pak Suzuki Motor Company Limited*****	-	24,520	24,520	-	-	-	-	-	-	-
Indus Motor Company Limited	-	501	501	-	-	-	-	-	-	-
Gandhara Industries Limited	-	173,725	40,683	133,042	34,646,798	36,372,352	1,725,554	16.89%	17.51%	0.31%
Millat Tractors Limited	-	17,340	17,340	-	-	-	-	-	-	-
					72,482,795	81,045,486	8,562,691	37.64%	3.98%	0.40%
<b>AUTOMOBILE PARTS &amp; ACCESSORIES</b>										
Thal Limited ****	-	5,260	5,260	-	-	-	-	-	-	-
<b>CEMENT</b>										
Attock Cement Pakistan Limited	15,520	-	15,520	-	-	-	-	-	-	-
Cherat Cement Company Limited	48,500	-	48,500	-	-	-	-	-	-	-
D. G. Khan Cement Company Limited	237,650	540,857	368,201	410,306	36,414,262	37,038,323	624,060	17.20%	17.83%	0.09%
Lucky Cement Limited	30,070	-	30,070	-	-	-	-	-	-	-
Fauji Cement Company Limited	-	1,013,712	137,200	876,512	19,840,389	20,080,890	240,501	9.33%	9.67%	0.04%
Pioneer Cement Limited	130,950	16,731	147,681	-	-	-	-	-	-	-
					56,254,651	57,119,213	864,561	26.53%	27.49%	0.13%
<b>CHEMICAL</b>										
Lotte Chemical Pakistan Limited	191,090	64,815	255,905	-	-	-	-	-	-	-
Agritech Limited	-	117,412	117,412	-	-	-	-	-	-	-
<b>COMMERCIAL BANKS</b>										
United Bank Limited	-	37,200	37,200	-	-	-	-	-	-	-
Meezan Bank Limited	-	282,858	171,058	111,800	26,748,697	26,763,802	15,105	12.43%	12.88%	0.01%
Bank Alfalah Limited	-	258,011	258,011	-	-	-	-	-	-	-
Bank Al Habib Limited	-	39,312	39,312	-	-	-	-	-	-	-
BankIslami Pakistan Limited **	-	309,469	309,469	-	-	-	-	-	-	-
Faysal Bank Limited	-	98,235	98,235	-	-	-	-	-	-	-
National Bank of Pakistan	-	105,592	105,592	-	-	-	-	-	-	-
Habib Bank Limited	-	152,798	152,798	-	-	-	-	-	-	-
					26,748,697	26,763,802	15,105	12.43%	12.88%	0.01%
<b>ENGINEERING</b>										
International Industries Limited	-	51,720	7,000	44,720	8,381,327	8,752,151	370,824	4.06%	4.21%	0.03%
International Steels Limited	-	84,045	11,375	72,670	6,092,990	6,144,249	51,259	2.85%	2.96%	0.02%
Mughal Iron and Steel Industries Limited	-	89,217	12,075	77,142	6,823,285	7,174,206	350,921	3.33%	3.45%	0.02%
					21,297,602	22,070,606	773,004	10.25%	10.62%	0.07%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Name of the Investee Company	As at July 01, 2023	Purchased during the year	Sold / disposed during the year	As at June 30, 2024	As at June 30, 2024			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
					Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
No. of Shares										
<b>FERTILIZER</b>										
Engro Corporation Limited	54,320	66,926	121,246	-	-	-	-	-	-	-
Engro Fertilizers Limited	-	74,996	74,996	-	-	-	-	-	-	-
Fauji Fertilizer Company Limited	-	78,101	78,101	-	-	-	-	-	-	-
Fauji Fertilizer Bin Qasim Limited	-	269,354	269,354	-	-	-	-	-	-	-
<b>FOOD &amp; PERSONAL CARE PRODUCT</b>										
Fauji Foods Limited	-	372,163	372,163	-	-	-	-	-	-	-
Unity Foods Limited	-	411,162	411,162	-	-	-	-	-	-	-
<b>OIL &amp; GAS EXPLORATION COMPANIES</b>										
Mari Petroleum Company Limited	-	5,135	5,135	-	-	-	-	-	-	-
Oil & Gas Development Company Limited	-	252,909	252,909	-	-	-	-	-	-	-
Pakistan Oilfields Limited	-	14,728	14,728	-	-	-	-	-	-	-
Pakistan Petroleum Limited	-	525,935	525,935	-	-	-	-	-	-	-
<b>OIL &amp; GAS MARKETING COMPANIES</b>										
Pakistan State Oil Company Limited	-	180,666	180,666	-	-	-	-	-	-	-
Shell Pakistan Limited	-	143,339	143,339	-	-	-	-	-	-	-
Sui Northern Gas Pipelines Limited	-	195,734	195,734	-	-	-	-	-	-	-
<b>PAPER, BOARD &amp; PACKAGING</b>										
Packages Limited	4,850	-	4,850	-	-	-	-	-	-	-
<b>PHARMACEUTICALS</b>										
The Searle Company Limited	-	84,318	84,318	-	-	-	-	-	-	-
<b>POWER GENERATION &amp; DISTRIBUTION</b>										
K-Electric Limited *	-	2,141,232	2,141,232	-	-	-	-	-	-	-
Lalpir Power Limited	-	208,822	208,822	-	-	-	-	-	-	-
Nishat Chunian Power Limited	-	181,097	181,097	-	-	-	-	-	-	-
The Hub Power Company Limited	-	138,004	138,004	-	-	-	-	-	-	-
<b>CABLE &amp; ELECTRICAL GOODS</b>										
Pak Elektron Limited	-	280,264	280,264	-	-	-	-	-	-	-
<b>REFINERY</b>										
Attock Refinery Limited	-	127,953	127,953	-	-	-	-	-	-	-
National Refinery Limited	-	138,086	138,086	-	-	-	-	-	-	-
Pakistan Refinery Limited	-	1,220,326	1,220,326	-	-	-	-	-	-	-
<b>TECHNOLOGY AND COMMUNICATION</b>										
Avanceon Limited	-	116,407	116,407	-	-	-	-	-	-	-
Air Link Communication Limited	259,960	404,053	664,013	-	-	-	-	-	-	-
Pakistan Telecommunication Company Limited	-	706,692	706,692	-	-	-	-	-	-	-
Netsol Technologies Limited	-	62,220	62,220	-	-	-	-	-	-	-
Hum Network Limited ***	-	863,724	116,900	746,824	7,926,060	7,662,414	(263,645)	3.56%	3.69%	0.07%
Systems Limited	-	49,880	18,576	31,304	13,288,624	13,094,463	(194,161)	6.08%	6.30%	0.01%
					21,214,684	20,756,877	(457,806)	9.64%	9.99%	0.08%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Name of the Investee Company	As at July 01, 2023	Purchased during the year	Sold / disposed during the year	As at June 30, 2024	As at June 30, 2024			Market value as a percentage of		Holding as a percentage of paid-up capital of investee company
					Carrying value	Market value	Unrealised appreciation / (diminution)	Net assets of the Fund	Total investments	
No. of Shares										
<b>TEXTILE COMPOSITE</b>										
Gul Ahmed Textile Mills Limited	110,580	-	110,580	-	-	-	-	-	-	-
Interloop Limited	-	88,089	88,089	-	-	-	-	-	-	-
Kohinoor Textile Mills Limited	-	24,196	24,196	-	-	-	-	-	-	-
Nishat Mills Limited	-	29,046	29,046	-	-	-	-	-	-	-
<b>PROPERTY</b>										
TPL Properties Limited	-	554,277	554,277	-	-	-	-	-	-	-
<b>Total as at June 30, 2024</b>					<u>197,998,428</u>	<u>207,755,984</u>	<u>9,757,555</u>			
<b>Total as at June 30, 2023</b>					<u>73,487,829</u>	<u>74,741,429</u>	<u>1,253,600</u>			

\*These have a face value of Rs. 3.5 per share.

\*\*Related party.

\*\*\*These have a face value of Rs. 1.00 per share.

\*\*\*\*These have a face value of Rs. 5.00 per share.

\*\*\*\*\*Pak Suzuki has been delisted from stock exchange effective Friday, April 26, 2024.

## 5.2 Net unrealised appreciation on remeasurement of investments classified as financial asset at fair value through profit or loss'

	Note	2024	2023
		(Rupees)	
Market value of investments	5.1	207,755,984	74,741,429
Less: carrying value of investments	5.1	(197,998,428)	(73,487,829)
		<u>9,757,556</u>	<u>1,253,600</u>

## 6 ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Advance tax	6.1	1,048,150	1,048,150
Security deposit with Central Depository Company of Pakistan Limited - Trustee		100,000	100,000
Receivable from JS Investments Limited - Management Company		333,508	570,243
		<u>1,481,658</u>	<u>1,718,393</u>

6.1 As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend paid to the Fund was deducted by various withholding agents based on the interpretation issued by the FBR vide letter Circular 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced before him by the withholdor.

For this purpose, the Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of the FBR. On January 28, 2016, the Board of Directors of the Management Company passed a resolution by circulation, authorising all CISs to file an appeal in the Honourable Supreme Court through their Trustees, to direct all persons being withholding agents, including share registrars and banks to observe the provisions of clause 47B of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 without imposing

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

any conditions at the time of making any payment to the CISs being managed by the Management Company. Accordingly, a petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the Management Company and other asset management companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends has been shown as a receivable as at June 30, 2024 as, in the opinion of the management, the amount of tax deducted at source will be refunded.

7	<b>PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY</b>	Note	2024	2023
			----- (Rupees) -----	
	Payable to JS Investments Limited - Management Company			
	Remuneration to JS Investment Limited - Management Company	7.1	-	-
	Sindh Sales Tax payable on remuneration of the management company	7.2	-	-
	Other payable		110,000	110,000
	Printing and stationery charges		49,658	78,741
			<u>159,658</u>	<u>188,741</u>

7.1 As per regulation 61 of the NBFC Regulations, the Management Company is entitled to a remuneration equal to an amount not exceeding the maximum rate of management fee as disclosed in the Offering Document, subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has not charged remuneration during the year ended June 30, 2024 (2023 : 0.00% to 0.5%) per annum of the average annual net assets of the Fund. The remuneration is payable to the Management Company on a monthly basis in arrears.

7.2 The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% on the remuneration of the Management Company through the Sindh Sales Tax on Services Act, 2011.

8	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	Note	2024	2023
			----- (Rupees) -----	
	Trustee remuneration payable	8.1	16,303	3,319
	Sindh Sales Tax on remuneration of the Trustee	8.2	2,119	432
			<u>18,422</u>	<u>3,751</u>

8.1 The Trustee is entitled to a monthly remuneration for services rendered to the Fund under the provisions of the Trust Deed at the rate of 0.1% (June 30 2023: 0.1%) per annum of net assets of the Fund.

8.2 Sindh Sales Tax on the remuneration of the Trustee has been charged at the rate of 13% (June 30, 2023: 13%) under the Sindh Sales Tax on Services Act, 2011.

9	<b>PAYABLE TO SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP)</b>	Note	2024	2023
			----- (Rupees) -----	
	Fee payable	9.1	8,011	7,822

9.1 In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.095% of net assets, applicable on 'Exchange Traded Scheme'.

The Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 10 ACCRUED EXPENSES AND OTHER LIABILITIES

Auditors' remuneration payable  
Withholding tax payable  
Registrar fees payable  
Settlement charges payable

2024	2023
----- (Rupees) -----	
569,760	399,168
25,847	11,936
11,300	11,300
5,844	2,622
<u>612,751</u>	<u>425,026</u>

## 11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at June 30, 2024 and June 30, 2023.

## 12 AUDITORS' REMUNERATION

Annual audit and half year review fees  
Other certifications  
Out of pocket expenses  
Sindh sales tax

2024	2023
----- (Rupees) -----	
659,596	477,200
100,000	-
75,960	46,100
66,844	40,568
<u>902,400</u>	<u>563,868</u>

## 13 NUMBER OF UNITS IN ISSUE

Units in issue at the beginning of the year  
Units issued during the year  
Units redeemed during the year  
Total units in issue at the end of the year

2024	2023
----- Number of units -----	
9,700,000	2,380,000
25,620,000	16,510,000
24,140,000	9,190,000
<u>11,180,000</u>	<u>9,700,000</u>

## 14 TOTAL EXPENSE RATIO

The annualised Total Expense Ratio (TER) of the Fund as at June 30, 2024 is 3.06% (2023 : 2.89%) which includes 0.56% (2023 : 0.39%) representing government levies on the Fund such as sales taxes, annual fee to the SECP etc. This ratio is within the maximum limit of 2.5% (2023 : 2.5%) prescribed under the NBFC Regulations for a collective investment scheme categorised as an index tracking scheme.

## 15 TAXATION

The income of the Fund is exempt from income tax under Clause 99 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income for the year as reduced by capital gains, whether realised or unrealised, is distributed amongst the unit holders as cash dividend. Furthermore, as per Regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute not less than 90% of its accounting income for the year derived from sources other than capital gains as reduced by such expenses as are chargeable thereon to the unit holders. Since the Management Company intends to distribute the required minimum percentage of income earned by the Fund for the year ending June 30, 2024 to the unit holders in the manner as explained above, accordingly no provision for taxation has been made in the financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 16 TRANSACTIONS WITH CONNECTED PERSONS / RELATED PARTIES

Connected persons / related parties include JS Investments Limited (JSIL) being the Management Company of the Fund, Central Depository Company of Pakistan Limited being the Trustee of the Fund, JS Bank Limited (JSBL) being the holding company of the Management Company - holding 84.56% shares of JS Investments Limited, Jahangir Siddiqui & Co. Limited (JSCL) being the holding company of JSBL - holding 71.20 % shares of JS Bank Limited, BankIslami Pakistan Limited (BIPL) which is a fellow subsidiary of JSBL - 75.12% shares are held by JS Bank Limited, JS Global Capital Limited (JSGCL) which is a fellow subsidiary of JSBL - 92.90% shares are held by JS Bank Limited and other associated companies of JSBL, JSGCL, JSIL and its subsidiaries, key management personnel, directors and their close family members of the above entities and other Funds being managed by JSIL and includes entities holding 10% or more in the units of the Fund as at June 30, 2024. It also includes staff retirement benefit Funds of the above related parties / connected persons.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.

Remuneration to the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration to the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions and balances at carried out by the Fund with related parties / connected persons, during the year ended June 30, 2024 and balances with them as at year end are as follows

### 16.1 Transactions during the year

	2024	2023
	----- (Rupees) -----	
<b>JS Investments Limited - Management Company</b>		
Remuneration of JS Investments Limited - Management Company	-	69,635
Sindh Sales Tax on remuneration of the Management Company	-	9,053
Printing charges	101,468	101,468
Other income	2,068,403	570,243
<b>JS Bank Limited - Parent Company of JSIL</b>		
Profit on savings accounts	814,370	239,115
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	66,957	39,240
Sindh Sales Tax on remuneration of the Trustee	8,704	5,101
CDC settlement charges	49,824	33,635
Registrar fee	135,600	135,600
<b>JS Fund of Funds - Fund under JSIL Management</b>		
Investment by the Fund: 25,296,500 (2023: 16,621,000) units	361,431,050	141,966,605
Redeemed by the Fund: 24,472,500 (2023: 9,257,000) units	301,383,975	78,754,480
<b>JS Global Capital Limited - Fellow subsidiary of JSBL</b>		
Issuance of units: 25,620,000 (2023: 16,510,000)	365,401,306	139,658,366
Redemption of units: 24,140,000 (2023: 9,190,000)	292,642,079	79,081,759
Securities transaction cost	1,751,510	620,483

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
	----- (Rupees) -----	
<b>16.2 Details of balances with related parties / connected persons as at year end</b>		
<b>JS Investments Limited - Management Company</b>		
Printing charges payable	49,658	78,741
Receivable from Management Company	333,508	570,243
Other payable	110,000	110,000
<b>JS Bank Limited - Parent Company of JSIL</b>		
Bank balances	92,047,153	40,767,918
Profit receivable	-	24,619
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	16,303	3,319
Sindh Sales Tax payable on Trustee remuneration	2,119	432
Settlement charges payable	5,844	2,622
Registrar fee payable	11,300	11,300
Security deposit	100,000	100,000
<b>JS Fund of Funds - Fund under JSIL Management</b>		
Units held: 9,759,500 units (2023: 8,935,500 units)	188,553,540	74,074,689
<b>JS Global Capital Limited</b>		
Payable against purchase of marketable securities	85,176,672	35,919,310
Units held: 11,180,000 units (2023: 9,700,000)	215,309,281	80,412,342

## 17 FINANCIAL INSTRUMENTS BY CATEGORY

	-----2024-----		
	At amortised cost	At fair value through profit or loss	Total
	----- (Rupees) -----		
<b>Financial assets</b>			
Bank balances	92,047,153	-	92,047,153
Investments	-	207,755,984	207,755,984
Advances, deposits and other receivables	433,508	-	433,508
	92,480,661	207,755,984	300,236,645
<b>Financial liabilities</b>			
Payable to JS Investments Limited			
- Management Company	159,658	-	159,658
Payable to Central Depository Company of Pakistan Limited - Trustee	18,422	-	18,422
Payable against purchase of marketable securities	85,176,672	-	85,176,672
Accrued and other liabilities	586,904	-	586,904
	85,941,656	-	85,941,656

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

	-----2023-----		
	At amortised cost	At fair value through profit or loss	Total
	------(Rupees) -----		
<b>Financial assets</b>			
Bank balances	40,767,918	-	40,767,918
Investments	-	74,741,429	74,741,429
Profit receivable	24,619	-	24,619
Advances, deposits and other receivables	670,243	-	670,243
	<u>41,462,780</u>	<u>74,741,429</u>	<u>116,204,209</u>
<b>Financial liabilities</b>			
Payable to JS Investments Limited			
- Management Company	188,741	-	188,741
Payable to Central Depository Company of Pakistan Limited - Trustee	3,751	-	3,751
Payable against purchase of marketable securities	36,214,677	-	36,214,677
Accrued and other liabilities	413,090	-	413,090
	<u>36,820,259</u>	<u>-</u>	<u>36,820,259</u>

## 18 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk.

### Risk management framework

The Board of Directors of the Management Company has an overall responsibility for the establishment and oversight of the Fund's risk management framework.

Risk is inherent in the Fund's activities, but it is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the Management Company, the Fund's constitutive documents and the Regulations and Directives of the SECP. The policies are established to identify and analyse the risks faced by the Fund, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Audit Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund. The Audit Committee is assisted in its oversight role by internal audit. Internal Audit undertakes regular reviews of risk management controls and procedures and the results of which are reported to the Audit Committee.

Asset purchases and sales are determined by the Fund's Investment Manager, who has been authorised to manage the distribution of the assets to achieve the Fund's investment objectives. Compliance with the target asset allocations and the composition of the portfolio is monitored by the Investment Committee. In instances where the portfolio has diverged from target asset allocations, the Fund's Investment Manager is obliged to take actions to rebalance the portfolio in line with the established targets, within prescribed time limits.

### 18.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

## FOR THE YEAR ENDED JUNE 30, 2024

The Management Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Investment Committee and the regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, yield / profit rate risk and price risk.

### 18.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. At present, the Fund does not have any financial instruments in foreign currencies and hence it is not exposed to such risk.

### 18.1.2 Interest / profit rate risk

Interest /profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. As of June 30, 2023, the Fund is mainly exposed to interest rate risk on balances held with banks. The Investment Committee of the Fund reviews the portfolio on a regular basis to ensure that the risk is managed within the acceptable limits.

	2024	2023
	----- (Rupees) -----	
<b>Variable rate instruments (financial assets)</b>		
Bank balances	92,047,153	40,767,918

#### a) Sensitivity analysis for variable rate instrument

As at June 30, 2024, the Fund holds balances in savings accounts amounting Rs 92.05 million (2023: Rs 40.77 million) exposing the fund to cash flow interest rate risk. In case of 100 basis points increase / (decrease) in interest rates at the reporting date, the net assets of the Fund and net income for the year would have been higher / lower by Rs 921,737 (2023: Rs 407,679). The analysis assumes that all other variables remain constant.

The composition of the Fund's investment portfolio and profit rates are expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the impact on the Fund's net assets of future movements in profit rates.

Profit rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet financial instruments is based on the settlement date.

The Fund's profit / interest rate sensitivity related to financial assets and financial liabilities as at June 30, 2024 can be determined as follows:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

----- 2024 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	20.82%	92,047,153	-	-	92,047,153
Investments		-	-	207,755,984	207,755,984
Advances, deposits and other receivables		-	-	433,508	433,508
<b>Sub total</b>		<b>92,047,153</b>	<b>-</b>	<b>208,189,492</b>	<b>300,236,645</b>
<b>Financial liabilities</b>					
Payable to JS Investments Limited - Management Company		-	-	159,658	159,658
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	18,422	18,422
Payable against purchase of investments		-	-	85,176,672	85,176,672
Accrued and other liabilities		-	-	586,904	586,904
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>85,941,656</b>	<b>85,941,656</b>
<b>On-balance sheet gap</b>		<b>92,047,153</b>	<b>-</b>	<b>122,247,836</b>	<b>214,294,989</b>
<b>Total interest rate sensitivity gap</b>		<b>92,047,153</b>	<b>-</b>	<b>122,247,836</b>	<b>214,294,989</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>92,047,153</b>	<b>92,047,153</b>	<b>92,047,153</b>	

----- 2023 -----					
Effective yield / profit rate	Exposed to yield / profit risk			Not exposed to yield / profit risk	Total
	Upto three months	More than three months and up to one year	More than one year		
----- (Rupees) -----					
<b>On-balance sheet financial instruments</b>					
<b>Financial assets</b>					
Bank balances	19.60%	40,767,918	-	-	40,767,918
Investments		-	-	74,741,429	74,741,429
Profit receivable		-	-	24,619	24,619
Advances, deposits and other receivables		-	-	670,243	670,243
<b>Sub total</b>		<b>40,767,918</b>	<b>-</b>	<b>75,436,291</b>	<b>116,204,209</b>
<b>Financial liabilities</b>					
Payable to JS Investments Limited - Management Company		-	-	188,741	188,741
Payable to Central Depository Company of Pakistan Limited - Trustee		-	-	3,751	3,751
Payable against purchase of investments		-	-	36,214,677	36,214,677
Accrued and other liabilities		-	-	413,090	413,090
<b>Sub total</b>		<b>-</b>	<b>-</b>	<b>36,820,259</b>	<b>36,820,259</b>
<b>On-balance sheet gap</b>		<b>40,767,918</b>	<b>-</b>	<b>38,616,032</b>	<b>79,383,950</b>
<b>Total interest rate sensitivity gap</b>		<b>40,767,918</b>	<b>-</b>	<b>38,616,032</b>	<b>79,383,950</b>
<b>Cumulative interest rate sensitivity gap</b>		<b>40,767,918</b>	<b>40,767,918</b>	<b>40,767,918</b>	

There is no off-balance sheet financial instrument that exist as at year ended June 30, 2024 and June 30, 2023.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 18.1.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Fund has exposure to equity price arising from the Fund investments in equity securities. The Fund manages its price risk arising from investment in the equity securities by diversifying its portfolio within the eligible limits prescribed in the Fund's constitutive documents, the NBFC regulations and circulars issued by the SECP time to time.

In case of 1% increase / decrease in PSX-100 index on June 30, 2024, with all other variables held constant, the total comprehensive income of the Fund for the year would increase / decrease by Rs. 2.078 million (2023: Rs. 0.747 million) and the net assets of the Fund would increase / decrease by the same amount as a result of gains / losses on equity securities classified as financial assets at fair value through profit or loss.

The analysis is based on the assumption that equity index had increased / decreased by 1% with all other variables held constant and all the Fund's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the PSX-100 Index, having regard to the historical volatility of the index. The composition of the Fund's investment portfolio and the correlation thereof to the PSX-100 Index, is expected to change over time. Accordingly, the sensitivity analysis prepared as of June 30, 2024 is not necessarily indicative of the effect on the Fund's net assets of future movements in the level of the PSX-100 Index.

## 18.2 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss to the Fund by failing to discharge its obligations as it falls due.

The table below analyses the Fund's maximum exposure to credit risk:

	2024		2023	
	Balance as per statement of assets and liabilities	Maximum exposure to credit risk	Balance as per statement of assets and liabilities	Maximum exposure to credit risk
	(Rupees)		(Rupees)	
Bank balances	92,047,153	92,047,153	40,767,918	40,767,918
Investments	207,755,984	-	74,741,429	-
Profit receivable	-	-	24,619	24,619
Advances, deposits and other receivables	433,508	433,508	670,243	670,243
	<u>300,236,645</u>	<u>92,480,661</u>	<u>116,204,209</u>	<u>41,462,780</u>

The maximum exposure to credit risk before any credit enhancement as at June 30, 2024 is the carrying amount of the financial assets. Difference in the balance as per the statement of assets and liabilities and maximum exposure is due to the fact that investments in listed equity securities of Rs 207.760 million (2023 : Rs 74.741 million) are not exposed to credit risk.

No financial assets were considered to be past due or impaired as at June 30, 2024.

### 18.2.1 Credit quality of financial assets

The Fund held bank balances as at June 30, 2024 with banks having following credit ratings:

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Banks	Rating agency	Rating (Short Term / Long Term)	2024	2023
			% of financial assets exposed to credit risk	
JS Bank Limited	PACRA	A1+ / AA	100.00%	100.00%
			<u>100.00%</u>	<u>100.00%</u>

Above ratings are on the basis of available ratings assigned by PACRA as of June 30, 2024.

## 18.2.2 Concentration of credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counter parties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial assets is mainly held with credit worthy counter parties thereby mitigating any credit risk.

## 18.3 Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on the terms that are materially disadvantageous to the Fund.

The Fund is exposed to daily settlement of equity securities and daily redemptions at the option of unit holders. The Fund's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions. The Fund's policy is, therefore, to invest the majority of its assets in investments that are traded in an active market and can be readily disposed and are considered readily realisable.

As per the NBFC Regulations, the Fund can borrow in the short-term to ensure settlement subject to the maximum limit which is fifteen percent of the net assets upto 90 days and would be secured by the assets of the Fund. However, no borrowing was required to be obtained by the Fund during the current year.

In order to manage the Fund's overall liquidity, the Fund may also withhold daily redemption requests in excess of ten percent of the units in issue and such requests would be treated as redemption requests qualifying for being processed on the next business day. Such procedure would continue until the outstanding redemption requests come down to a level below ten percent of the units then in issue. The Fund did not withhold any redemptions during the year.

The table below indicates the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	----- 2024 -----						Total
	Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	
							(Rupees)
<b>Financial liabilities</b>							
Payable to JS Investments Limited							
- Management Company	159,658	-	-	-	-	-	159,658
Payable to Central Depository Company - Trustees	18,422	-	-	-	-	-	18,422
Payable against purchase of marketable securities	85,176,672	-	-	-	-	-	85,176,672
Accrued and other liabilities	-	-	569,760	-	-	-	569,760
<b>Total</b>	<b>85,354,752</b>	<b>-</b>	<b>569,760</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,924,512</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

----- 2023 -----						
Within one month	More than one month and upto three months	More than three months and upto one year	More than one year and upto five years	More than 5 years	Financial Instruments with no fixed	Total
(Rupees)						

## Financial liabilities

Payable to JS Investments Limited

- Management Company

Payable to Central Depository Company - Trustees

Payable against purchase of marketable securities

Accrued and other liabilities

**Total**

188,741	-	-	-	-	-	188,741
3,751	-	-	-	-	-	3,751
36,214,677	-	-	-	-	-	36,214,677
13,922	-	399,168	-	-	-	413,090
<b>36,421,091</b>	<b>-</b>	<b>399,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,820,259</b>

## 19 UNIT HOLDERS' FUND RISK MANAGEMENT

The unit holders' fund is represented by redeemable units. These units are entitled to dividends and to payment of a proportionate share based on the Fund's Net Asset Value per unit on the redemption date. The relevant movements are shown on the 'Statement of Movement in Unit Holders' Fund.

The Fund has no restrictions on the subscription and redemption of units.

The Fund's objectives when managing unit holders' funds are to safeguard its ability to continue as a going concern so that it can continue to provide returns to the unit holders and to maintain a strong base of assets to meet unexpected losses or opportunities.

In accordance with the risk management policies as stated in note 17, the Fund endeavours to invest the subscriptions received in appropriate investment avenues while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments or short-term borrowings, where

## 20 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the "Statement of Assets and Liabilities" date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.

### 20.1 Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

As at June 30, 2024, the Fund held the following financial instruments measured at fair values:

	-----2024-----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>At fair value through profit or loss:</b>				
Investment in listed equity securities	207,755,984	-	-	207,755,984
	-----2023-----			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>At fair value through profit or loss:</b>				
Investment in listed equity securities	74,741,429	-	-	74,741,429

During the period from July 1, 2023 to June 30, 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

## 21 DETAILS OF MEMBERS OF INVESTMENT COMMITTEE AND FUND MANAGER

S. No.	Name	Designation	Experience in years	Qualification
1	Ms. Iffat Zehra Mankani	Chief Executive Officer	23	MBA
2	Mr. Khawar Iqbal	Chief Operating Officer & Company Secretary	31	MBA
3	Mr. Syed Hussain Haider	Chief Investment Officer	22	CFA
4	Mr. Syed Shabih ul Hasnain	Fund Manager	6	BBA

### 21.1 Name and qualification of the Fund Manager

Name	Designation	Qualification	Other funds managed by the Fund Manager
Mr. Syed Shabih Ul Hasnain	Fund Manager	BBA	Unit Trust of Pakistan, JS Fund of Funds, JS Growth Fund, JS Large Cap. Fund, JS Islamic Fund, JS Pension Savings Fund, JS Islamic Pension Savings Fund, JS KPK Pension Fund, JS KPK Islamic Pension Fund

## 22 PATTERN OF UNIT HOLDING

Category	----- As at June 30, 2024 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Associated Company	1	11,180,000	215,309,281	100%
Category	----- As at June 30, 2023 -----			
	Number of unit holders	Number of units held	Investment amount (Rupees)	Percentage of total investment
Associated Company	1	9,700,000	80,412,342	100%

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS >

FOR THE YEAR ENDED JUNE 30, 2024

## 23 LIST OF TOP TEN BROKERS BY PERCENTAGE OF COMMISSION PAID

----- 2024 -----		----- 2023 -----	
Name of broker	Percentage of commission paid	Name of broker	Percentage of commission paid
Js Global Capital Limited	89.17%	Multiline Securities (Pvt) Limited	45.32%
Intermarket Securities (Pvt) Limited	10.83%	Intermarket Securities (Pvt) Limited	24.39%
		Topline Securities (Pvt) Limited	12.77%
		DJM Securities (Pvt) Limited	8.80%
		Optimus Capital Management (Pvt) Limited	4.87%
		Adam Securities (Pvt) Limited	3.83%
		JS Global Capital Limited	0.02%
	<u>100.00%</u>		<u>100.00%</u>

## 24 MEETINGS OF THE BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

The 169th, 170th, 171st, 172nd, 173rd, and 174th meetings of the Board of Directors were held on August 4, 2023, August 18, 2023, October 20, 2023, December 28, 2023, February 20, 2024, and April 24, 2024 respectively. Information in respect of attendance by the directors and other persons in the meetings is given below:

S. No.	Name of Directors	Meetings attended	Meetings held on					
			August 04, 2023	August 18 2023	October 20, 2023	December 28, 2023	February 20, 2024	April 24, 2024
1	Mr. Suleman Lalani	6	✓	✓	✓	✓	✓	✓
2	Ms. Iffat Zehra Mankani	6	✓	✓	✓	✓	✓	✓
3	Mr. Hasan Shahid	6	✓	✓	✓	✓	✓	✓
4	Ms. Aisha Fariel Salahuddin	2	x	x	✓	✓	x	x
5	Mr. Mirza M. Sadeed Hasan Barlas	4	✓	✓	x	✓	✓	x
6	Mr. Atif Salim Malik	5	x	✓	✓	✓	✓	✓
7	Ms. Mediha Kamal Afsar	6	✓	✓	✓	✓	✓	✓
8	Mr. Farooq Ahmed Malik	5	x	✓	✓	✓	✓	✓
			<u>5</u>	<u>7</u>	<u>7</u>	<u>8</u>	<u>7</u>	<u>6</u>

## 25 NON ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Management Company in a meeting held on July 30, 2024 approved a final cash distribution of Rs. 5.36 per unit on the par value of Rs. 10 each (i.e 53.60%) for the year ended June 30, 2024. The financial statements of the Fund for the year ended June 30, 2024 do not include the effect of this distribution which will be accounted for in the financial statements of the Fund for the year ending June 30, 2025.

## 26 GENERAL

Figures have been rounded off to the nearest rupee, unless otherwise stated.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** >

FOR THE YEAR ENDED JUNE 30, 2024

**27 CORRESPONDING FIGURES**

Corresponding figures have been re-classified and re-arranged in these financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current year. No significant rearrangements or reclassifications have been made in these financial statements during the current year.

**28 DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on August 10, 2024 by the Board of Directors of the Management Company.



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Chief Financial Officer



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Chief Executive Officer



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Director



## JS INVESTMENTS OFFICES

- **Head Office - Karachi**  
19th Floor, The Centre, Plot No. 28, SB-5,  
Abdullah Haroon Road, Saddar, Karachi.
- **Wealth Centre**  
Ground Floor, Plot No. 97-C, Main  
Khayaban-e-Shaheen, DHA Phase 8,  
Karachi
- **Regional Office - Lahore**  
Ground Floor, No. 25, Block 13, Plot No.1-4,  
Usman Block, New Garden Town, Lahore
- **Regional Office - Islamabad**  
Office No. 414, 4th Floor, PSX Building,  
Jinnah Avenue, Islamabad

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